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R E P O R T
PLAQUEMINES PARISH SCHOOL BOARD
FOR THE TWO YEARS ENDED JUNE 30, 1996

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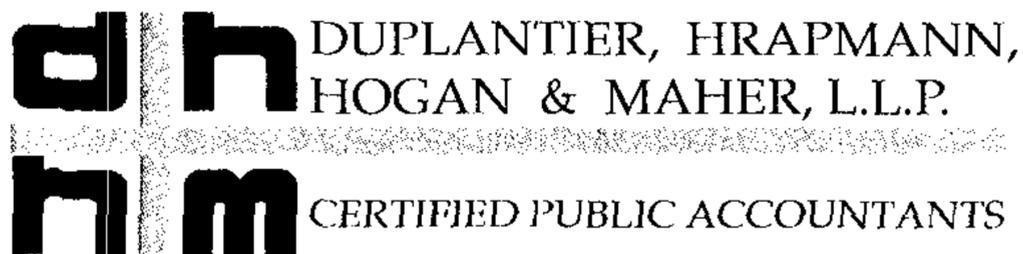
PLAQUEMINES PARISH SCHOOL BOARD
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INDEPENDENT AUDITOR'S REPORT

December 3, 1996

Plaquemines Parish School Board
Belle Chasse, LA

We have audited the accompanying general purpose financial statements of the Plaquemines Parish School Board as of June 30, 1996 and for the two years then ended. These general purpose financial statements are the responsibility of the management of Plaquemines Parish School Board. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Footnote 14 the school board in the current fiscal year took a complete physical inventory of its fixed assets and updated its general ledger to agree to the physical inventory. However, the school board has not correctly recorded additions to its fixed asset inventory after the physical inventory date. The effect on the financial statements is not reasonably determinable.

In our opinion, except for the effects of not properly recording the additions to the carrying value of fixed assets as discussed in the third paragraph above, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Plaquemines Parish School Board as of June 30, 1996, and the results of its operations for the two years then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements. The accompanying supplemental information schedules listed in the index to the report are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements of the Plaquemines Parish School Board. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole of Plaquemines Parish School Board. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 1996 on our consideration of the Plaquemines Parish School Board's internal control structure and a report dated December 3, 1996 on its compliance with laws and regulations.

Duplantier, Hapman, Hogan & Madu LLP

PLAQUEMINES PARISH SCHOOL BOARD
ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
JUNE 30, 1996

	GOVERNMENTAL FUNDS					FIDUCIARY			ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)			
	GENERAL	SPECIAL	DEBT	CAPITAL	SCHOOL	GENERAL	LONG		GENERAL	FIXED	ASSETS		LONG	TERM	OBLIGATION
	FUND	REVENUE	SERVICE	PROJECTS	ACTIVITY	ASSETS			ASSETS						
ASSETS AND OTHER DEBITS															
ASSETS:															
Cash (Note 13)	\$ 151,371	\$ 557,941	\$ 517,867	\$ 627,654	\$ 307,265	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,162,098
Cash equivalents (Note 13)	2,956,709	--	337,923	2,071,271	15,000	--	--	--	--	--	--	--	--	--	5,380,903
Investments (Note 13)	381,450	--	1,377,046	7,490,902	--	--	--	--	--	--	--	--	--	--	9,249,398
Accounts receivable (Note 4)	1,722,523	522,602	172,491	--	--	--	--	--	--	--	--	--	--	--	2,417,616
Interfund receivables (Notes 1 and 8)	578,875	189	--	--	--	--	--	--	--	--	--	--	--	--	579,064
Accrued interest receivable	--	--	12,373	55,881	--	--	--	--	--	--	--	--	--	--	68,254
Advances to Special Revenue Funds (Notes 1 and 8)	127,400	--	--	--	--	--	--	--	--	--	--	--	--	--	127,400
Inventory (Note 1)	--	100,767	--	--	--	--	--	--	--	--	--	--	--	--	100,767
Land	--	--	--	--	--	11,600	--	--	--	--	--	--	--	--	11,600
Buildings (Notes 1 and 14)	--	--	--	--	--	8,904,162	--	--	--	--	--	--	--	--	8,904,162
Equipment (Notes 1 and 14)	--	--	--	--	--	12,633,928	--	--	--	--	--	--	--	--	12,633,928
OTHER DEBITS:															
Amount available for Debt Service	--	--	--	--	--	--	--	--	--	--	--	2,417,700	--	--	2,417,700
Amount to be provided for retirement of General Long-Term Debt	--	--	--	--	--	--	--	--	--	--	--	13,942,300	--	--	13,942,300
Amount to be provided for capital leases payable	--	--	--	--	--	--	--	--	--	--	--	529,914	--	--	529,914
Amount to be provided for compensated absences payable	--	--	--	--	--	--	--	--	--	--	--	1,442,597	--	--	1,442,597
TOTAL ASSETS AND OTHER DEBITS	\$ 5,918,328	\$ 1,181,499	\$ 2,417,700	\$ 10,245,708	\$ 322,265	\$ 21,549,690	\$ 18,332,511	\$ 59,967,701	\$ 21,549,690	\$ 18,332,511	\$ 59,967,701	\$ 18,332,511	\$ 59,967,701	\$ 59,967,701	\$ 59,967,701

	GOVERNMENTAL FUNDS				FIDUCIARY			ACCOUNT GROUPS			TOTAL (MEMORANDUM ONLY)
	GENERAL	SPECIAL	DEBT	CAPITAL	SCHOOL	ASSETS	LONG	GENERAL	FIXED	TERM	
	FUND	REVENUE	SERVICE	PROJECTS	ACTIVITY	ASSETS	OBLIGATION	ASSETS	ASSETS	OBLIGATION	
LIABILITIES AND FUND EQUITY											
LIABILITIES:											
Accounts payable (Note 7)	\$ 218,679	\$ 154,888	\$ --	\$ 138,928	--	--	--	--	--	--	512,495
Salaries/deductions payable (Note 7)	2,086,649	--	--	--	--	--	--	--	--	--	2,086,649
Interfund payables (Notes 1 and 8)	34,692	544,372	--	--	--	--	--	--	--	--	579,064
Advances from General Fund (Notes 1 and 8)	--	127,400	--	--	--	--	--	--	--	--	127,400
Due other - School Activity (Notes 7 and 10)	--	--	--	--	322,265	--	--	--	--	--	322,265
Bonds payable (Notes 7 and 11)	--	--	--	--	--	--	16,360,000	--	--	--	16,360,000
Capital leases payable (Notes 7, 9 and 11)	--	--	--	--	--	--	529,914	--	--	--	529,914
Compensated absences payable (Notes 1, 7, 11 and 15)	--	--	--	--	--	--	1,442,597	--	--	--	1,442,597
Total liabilities	2,340,020	826,660	--	138,928	322,265	--	18,332,511	--	--	--	21,960,384
FUND EQUITY: (Note 1)											
Investments in fixed assets	--	--	--	--	--	--	--	21,549,690	--	--	21,549,690
Fund balances:											
Reserved for Encumbrances (Note 12)	22,068	--	--	--	--	--	--	--	--	--	22,068
Reserved for Scholarships (Note 12)	28,431	--	--	--	--	--	--	--	--	--	28,431
Reserved for Apartment Maintenance (Note 12)	70,952	--	--	--	--	--	--	--	--	--	70,952
Reserved for Construction (Note 12)	--	--	--	679,379	--	--	--	--	--	--	679,379
Reserved for Debt Service (Note 12)	--	--	2,417,700	--	--	--	--	--	--	--	2,417,700
Designated for Construction (Note 12)	--	--	--	9,427,401	--	--	--	--	--	--	9,427,401
Designated for Capital Improvements (Note 12)	49,570	--	--	--	--	--	--	--	--	--	49,570
Designated for Insurance Deductibles (Note 12)	549,597	--	--	--	--	--	--	--	--	--	549,597
Unreserved fund balance	2,857,690	354,839	--	--	--	--	--	--	--	--	3,212,529
Total fund equity	3,578,308	354,839	2,417,700	10,106,780	--	--	--	21,549,690	--	--	38,007,317
TOTAL LIABILITIES AND FUND EQUITY	\$ 5,918,328	\$ 1,181,499	\$ 2,417,700	\$ 10,245,708	\$ 322,265	\$ --	\$ 18,332,511	\$ 21,549,690	\$ --	\$ --	\$ 59,967,701

See accompanying notes.

PLAQUEMINES PARISH SCHOOL BOARD
 ALL GOVERNMENTAL FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 1996

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES: (NOTE 1)					
Local Sources:					
Ad valorem taxes (Note 3)	\$ 5,025,131	\$ --	\$ 1,166,301	\$ --	\$ 6,191,432
1% collection by Sheriff on taxes other than school taxes	216,531	--	--	--	216,531
Sales taxes (Note 16)	8,477,514	--	1,023,655	--	9,501,169
Special appropriation from Parish Government/General Fund	67,732	5,000	--	--	72,732
Tuition - summer school/driver's education	11,720	--	--	--	11,720
Interest earnings	174,515	6,814	112,185	648,575	942,089
Rent lease - 16th Section and other school lands	18,222	--	--	--	18,222
Food service income	--	293,776	--	--	293,776
Community service income	12,000	--	--	--	12,000
Apartment rents	74,127	--	--	--	74,127
Contributions and donations	10,750	2,211	--	--	12,961
Other	1,732	4,290	--	--	6,022
Revenue for/on behalf of LEA	24,948	--	--	--	24,948
Restricted Funds:					
State sources	330,212	63,097	--	--	393,309
Federal sources - through State	79,123	2,486,456	--	--	2,565,579
Federal sources - commodities	--	166,289	--	--	166,289
Federal sources - direct	--	299,587	--	--	299,587
Unrestricted Funds:					
State sources	9,440,650	235,440	--	--	9,676,090
Federal sources - through State	4,064	--	--	--	4,064
Federal sources - direct	195,733	13,533	--	--	209,266
Revenue sharing	100,617	--	--	--	100,617
Total revenues	<u>24,265,321</u>	<u>3,576,493</u>	<u>2,302,141</u>	<u>648,575</u>	<u>30,792,530</u>
EXPENDITURES: (Note 1)					
Instruction:					
Regular programs	10,697,739	--	--	--	10,697,739
Special programs	2,469,779	1,324,433	--	--	3,794,212
Vocational education	76,087	48,101	--	--	124,188
Adult education	--	38,550	--	--	38,550
Other instructional programs	116,601	189,988	--	--	306,589

	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL (MEMORANDUM ONLY)
Support Service Programs:					
Pupil support	\$ 827,944	\$ 91,183	--	--	\$ 919,127
Instructional staff support	773,260	213,052	--	--	986,312
General administration	1,213,778	--	34,451	--	1,248,229
School administration	1,368,374	--	--	--	1,368,374
Business services	333,622	--	--	--	333,622
Operation and maintenance	2,374,564	7,517	--	--	2,382,081
Student transportation	2,322,944	11,194	--	--	2,334,138
Central services	250,642	--	--	--	250,642
Food Service Program	230,832	1,578,317	--	--	1,809,149
Community Service Program	11,245	--	--	--	11,245
Capital outlay	--	--	--	1,325,581	1,325,581
Capitalized leases	533,463	--	--	--	533,463
Debt Service:					
Principal retirement	102,952	--	1,075,000	--	1,177,952
Interest payment	36,925	--	1,073,878	--	1,110,803
Miscellaneous:					
Bank, legal fees and other	150,100	--	1,105	--	151,205
Other - insurance claims, scholarship	14,803	--	--	--	14,803
Total expenditures	<u>23,905,654</u>	<u>3,502,335</u>	<u>2,184,434</u>	<u>1,325,581</u>	<u>30,918,004</u>
Excess (deficiency) of revenues over expenditures	<u>359,667</u>	<u>74,158</u>	<u>117,707</u>	<u>(677,006)</u>	<u>(125,474)</u>
OTHER FINANCING SOURCES (USES): (Note 1)					
Capital lease	533,463	--	--	--	533,463
Transfers of indirect cost	50,443	(50,443)	--	--	--
Operating transfers in	3,662	23,118	77,010	--	103,790
Sale of fixed assets	475	--	--	--	475
Operating transfers out	(100,128)	--	(3,662)	--	(103,790)
Gain (loss) on investments	--	--	--	16,941	16,941
Miscellaneous	--	600	--	--	600
Total other financing sources (uses)	<u>487,915</u>	<u>(26,725)</u>	<u>73,348</u>	<u>16,941</u>	<u>551,479</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	847,582	47,433	191,055	(660,065)	426,005
FUND BALANCES - BEGINNING OF YEAR	<u>2,730,726</u>	<u>307,406</u>	<u>2,226,645</u>	<u>10,766,845</u>	<u>16,031,622</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,578,308</u>	<u>\$ 354,839</u>	<u>\$ 2,417,700</u>	<u>\$ 10,106,780</u>	<u>\$ 16,457,627</u>

See accompanying notes.

PLAQUEMINES PARISH SCHOOL BOARD
 ALL GOVERNMENTAL FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 1995

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL (MEMORANDUM ONLY)</u>
REVENUES: (NOTE 1)					
Local Sources:					
Ad valorem taxes (Note 3)	\$ 4,747,242	\$ --	\$ 1,102,155	\$ --	\$ 5,849,397
1% collection by Sheriff on taxes other than school taxes	203,902	--	--	--	203,902
Sales taxes (Note 16)	7,125,493	--	1,033,533	--	8,159,026
Special appropriation from Parish Government/General Fund	70,000	5,000	--	--	75,000
Tuition - summer school/driver's education	6,000	--	--	--	6,000
Interest earnings	130,505	5,688	114,593	483,806	734,592
Rent lease - 16th Section and other school lands	7,817	--	--	--	7,817
Food service income	--	285,735	--	--	285,735
Community service income	11,450	--	--	--	11,450
Apartment rents	75,725	--	--	--	75,725
Contributions and donations	17,975	2,430	--	--	20,405
Other	744	4,914	--	--	5,658
Restricted Funds:					
State sources	753,409	63,777	--	--	817,186
Federal sources - through State	90,904	2,472,826	--	--	2,563,730
Federal sources - commodities	--	101,918	--	--	101,918
Federal sources - direct	--	331,375	--	--	331,375
Unrestricted Funds:					
State sources	8,944,478	235,440	--	--	9,179,918
Federal sources - through State	4,104	--	--	--	4,104
Federal sources - direct	145,844	--	--	--	145,844
Revenue sharing	98,011	--	--	--	98,011
Revenue for/on behalf of LEA	27,745	--	--	--	27,745
Total revenues	<u>22,461,348</u>	<u>3,509,103</u>	<u>2,250,281</u>	<u>483,806</u>	<u>28,704,538</u>
EXPENDITURES: (Note 1)					
Instruction:					
Regular programs	10,031,371	--	--	--	10,031,371
Special programs	2,365,830	1,314,575	--	--	3,680,405
Vocational education	36,097	53,967	--	--	90,064
Adult education	--	43,415	--	--	43,415
Other instructional programs	140,830	16,982	--	--	157,812

	GENERAL FUND	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL (MEMORANDUM ONLY)
Support Service Programs:					
Pupil support	\$ 791,647	\$ 56,552	--	--	\$ 848,199
Instructional staff support	646,351	368,540	--	--	1,014,891
General administration	1,059,360	1,079	32,528	--	1,092,967
School administration	1,181,508	--	--	--	1,181,508
Business services	320,871	250	--	--	321,121
Operation and maintenance	2,413,852	44,422	--	--	2,458,274
Student transportation	1,684,180	11,081	--	--	1,695,261
Central services	239,372	--	--	--	239,372
Food Service Program	259,296	1,456,204	--	--	1,715,500
Community Service Program	11,419	--	--	--	11,419
Capital outlay	77,220	68,500	--	1,324,995	1,470,715
Capitalized leases	21,182	--	--	--	21,182
Debt Service:					
Principal retirement	140,996	--	1,000,000	--	1,140,996
Interest payment	17,180	--	1,145,340	--	1,162,520
Miscellaneous:					
Bank, legal fees and other	7,805	--	6,997	--	14,802
Other - insurance claims, scholarship	--	--	--	--	--
Total expenditures	<u>21,446,367</u>	<u>3,435,567</u>	<u>2,184,865</u>	<u>1,324,995</u>	<u>28,391,794</u>
Excess (deficiency) of revenues over expenditures	<u>1,014,981</u>	<u>73,536</u>	<u>65,416</u>	<u>(841,189)</u>	<u>312,744</u>
OTHER FINANCING SOURCES (USES): (Note 1)					
Capital lease	21,182	--	--	--	21,182
Transfers of indirect cost	47,819	(47,819)	--	--	--
Operating transfers in	403,607	32,753	73,857	186,792	697,009
Sale of fixed assets	21,390	--	--	--	21,390
Operating transfers out	(506,610)	--	(3,607)	(186,792)	(697,009)
Gain (loss) on investments	--	--	--	(23,783)	(23,783)
Miscellaneous	--	(24)	--	--	(24)
Total other financing sources (uses)	<u>(12,612)</u>	<u>(15,090)</u>	<u>70,250</u>	<u>(23,783)</u>	<u>18,765</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	1,002,369	58,446	135,666	(864,972)	331,509
FUND BALANCES - BEGINNING OF YEAR	<u>1,728,357</u>	<u>248,960</u>	<u>2,090,979</u>	<u>11,631,817</u>	<u>15,700,113</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,730,726</u>	<u>\$ 307,406</u>	<u>\$ 2,226,645</u>	<u>\$ 10,766,845</u>	<u>\$ 16,031,622</u>

See accompanying notes.

PLAQUEMINES PARISH SCHOOL BOARD
 GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 1996

	GENERAL FUND		SPECIAL REVENUE FUND		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
REVENUES: (NOTE 1)					
Local Sources:					
Ad valorem taxes	\$ 4,700,000	\$ 5,025,131	\$ 325,131	\$	
1% collection by Sheriff on taxes other than school taxes	208,000	216,531	8,531		
Sales taxes	7,170,000	8,477,514	1,307,514		
Special appropriation from Parish Government/General Fund	100,000	67,732	(32,268)	5,000	
Tuition - summer school/driver's education	35,000	11,720	(23,280)		1,014
Interest earnings	100,000	174,515	74,515	5,800	
Rent lease - 16th Section and other school lands	6,260	18,222	11,962		18,776
Food service income				275,000	
Community service income	20,000	12,000	(8,000)		
Apartment rents		74,127	74,127		
Contributions and donations	2,000	10,750	8,750	779	2,211
Other	2,000	1,732	(268)	500	3,790
Revenue for/on behalf of LEA		24,948	24,948		
Restricted Funds:					
State sources	328,315	330,212	1,897	67,191	(4,094)
Federal sources - through State	79,123	79,123		2,486,456	(5,030)
Federal sources - commodities				165,289	6,289
Federal sources - direct				300,286	(699)
Unrestricted Funds:					
State sources	9,441,650	9,440,650	(1,000)	235,450	(10)
Federal sources - through State	5,000	4,064	(936)		
Federal sources - direct	136,000	195,733	59,733	10,253	3,280
Revenue sharing	100,300	100,617	317		
Total revenues	<u>22,433,648</u>	<u>24,265,321</u>	<u>1,831,673</u>	<u>3,551,745</u>	<u>24,748</u>
EXPENDITURES: (Note 1)					
Instruction:					
Regular programs	10,900,236	10,697,739	202,497		
Special programs	2,490,512	2,469,779	20,733	1,313,750	(10,683)
				1,324,433	

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Vocational education	\$ 70,900	\$ 76,087	\$ (5,187)	\$ 48,989	\$ 48,101	\$ 888
Adult education	--	--	--	37,481	38,550	(1,069)
Other instructional programs	123,131	116,601	6,530	--	189,988	(189,988)
Support Service Programs:						
Pupil support	905,970	827,944	78,026	66,060	91,183	(25,123)
Instructional staff support	755,706	773,260	(17,554)	432,485	213,052	219,433
General administration	1,369,029	1,213,778	155,251	800	--	800
School administration	1,435,973	1,368,374	67,599	--	--	--
Business services	339,574	333,622	5,952	--	--	--
Operation and maintenance	2,311,386	2,374,564	(63,178)	46,262	7,517	38,745
Student transportation	2,283,360	2,322,944	(39,584)	13,866	11,194	2,672
Central services	275,557	250,642	24,915	--	--	--
Food Service Program	253,473	230,832	22,641	1,477,752	1,578,317	(100,565)
Community Service Program	14,800	11,245	3,555	--	--	--
Capitalized leases	--	533,463	(533,463)	--	--	--
Debt Service:						
Principal retirement	--	102,952	(102,952)	--	--	--
Interest payment	--	36,925	(36,925)	--	--	--
Miscellaneous:						
Bank, legal fees and other	300	150,100	(149,800)	--	--	--
Other - insurance claims, scholarship	--	14,803	(14,803)	--	--	--
Total expenditures	<u>23,529,907</u>	<u>23,905,654</u>	<u>(375,747)</u>	<u>3,437,445</u>	<u>3,502,335</u>	<u>(64,890)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,096,259)</u>	<u>359,667</u>	<u>1,455,926</u>	<u>114,300</u>	<u>74,158</u>	<u>(40,142)</u>
OTHER FINANCING SOURCES (USES):						
(Note 1)						
Capital lease	--	533,463	533,463	--	--	--
Transfers of indirect costs	45,000	50,443	5,443	(58,510)	(50,443)	8,067
Operating transfers in	--	3,662	3,662	22,466	23,118	652
Sale of fixed assets	600	475	(125)	--	--	--
Operating transfers out	(99,584)	(100,128)	(544)	--	--	--
Miscellaneous	--	--	--	--	600	600
Total other financing sources (uses)	<u>(53,984)</u>	<u>487,915</u>	<u>541,899</u>	<u>(36,044)</u>	<u>(26,725)</u>	<u>9,319</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(1,150,243)</u>	<u>847,582</u>	<u>1,997,825</u>	<u>78,256</u>	<u>47,433</u>	<u>(30,823)</u>
Fund balances - beginning of year	<u>2,127,084</u>	<u>2,730,726</u>	<u>603,642</u>	<u>286,246</u>	<u>307,406</u>	<u>21,160</u>
FUND BALANCES - END OF YEAR	<u>\$ 976,841</u>	<u>\$ 3,578,308</u>	<u>\$ 2,601,467</u>	<u>\$ 364,502</u>	<u>\$ 354,839</u>	<u>\$ (9,663)</u>

See accompanying notes.

PLAQUEMINES PARISH SCHOOL BOARD
 GOVERNMENTAL FUNDS - GENERAL AND SPECIAL REVENUE FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 1995

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES: (NOTE 1)						
Local Sources:						
Ad valorem taxes	\$ 4,453,000	\$ 4,747,242	\$ 294,242	\$ --	\$ --	\$ --
1% collection by Sheriff on taxes other than school taxes		203,902	3,902			
Sales taxes	6,800,000	7,125,493	325,493			
Special appropriation from Parish Government/General Fund	100,000	70,000	(30,000)	5,000	5,000	
Tuition - summer school/driver's education	35,500	6,000	(29,500)			
Interest earnings	60,000	130,505	70,505	4,500	5,688	1,188
Rent lease - 16th Section and other school lands	8,000	7,817	(183)			
Food service income				272,300	285,735	13,435
Community service income	15,000	11,450	(3,550)			
Apartment rents		75,725	75,725			
Contributions and donations	2,000	17,975	15,975	399	2,430	2,031
Other	2,000	744	(1,256)		4,914	4,914
Restricted Funds:						
State sources	732,259	753,409	21,150	114,054	63,777	(50,277)
Federal sources - through State	90,881	90,904	23	2,461,775	2,472,826	11,051
Federal sources - commodities				101,900	101,918	18
Federal sources - direct				335,111	331,375	(3,736)
Unrestricted Funds:						
State sources	8,944,467	8,944,478	11	235,450	235,440	(10)
Federal sources - through State	3,500	4,104	604			
Federal sources - direct	150,000	145,844	(4,156)			
Revenue sharing	100,300	98,011	(2,289)			
Revenue for/on behalf of LEA	26,928	27,745	817			
Total revenues	21,723,835	22,461,348	737,513	3,530,489	3,509,103	(21,386)
EXPENDITURES: (Note 1)						
Instruction:						
Regular programs	10,389,789	10,031,371	358,418			
Special programs	2,279,540	2,365,830	(86,290)	1,441,940	1,314,575	127,365

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Vocational education	\$ 32,000	\$ 36,097	\$ (4,097)	\$ 54,450	\$ 53,967	\$ 483
Adult education	—	—	—	45,835	43,415	2,420
Other instructional programs	157,225	140,830	16,395	—	16,982	(16,982)
Support Service Programs:						
Pupil support	787,480	791,647	(4,167)	57,374	56,552	822
Instructional staff support	648,786	646,351	2,435	366,101	368,540	(2,439)
General administration	1,163,865	1,059,360	104,505	8,481	1,079	7,402
School administration	1,204,344	1,181,508	22,836	—	—	—
Business services	324,541	320,871	3,670	250	250	—
Operation and maintenance	2,348,500	2,413,852	(65,352)	64,618	44,422	20,196
Student transportation	1,807,603	1,684,180	123,423	13,143	11,081	2,062
Central services	247,229	239,372	7,857	—	—	—
Food Service Program	268,011	259,296	8,715	1,383,851	1,456,204	(72,353)
Community Service Program	14,800	11,419	3,381	—	—	—
Capitalized leases	77,220	77,220	—	68,500	68,500	—
Debt Service:	—	21,182	(21,182)	—	—	—
Principal retirement	—	140,996	(140,996)	—	—	—
Interest payment	—	17,180	(17,180)	—	—	—
Miscellaneous:	—	—	—	—	—	—
Bank, legal fees and other	300	7,805	(7,505)	—	—	—
Other - insurance claims, scholarship	—	—	—	—	—	—
Total expenditures	21,751,233	21,446,367	304,866	3,504,543	3,435,567	68,976
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,398)	1,014,981	1,042,379	25,946	73,536	47,590
OTHER FINANCING SOURCES (USES):						
(Note 1)						
Capital lease	—	21,182	21,182	—	—	—
Transfers of indirect costs	27,000	47,819	20,819	(50,315)	(47,819)	2,496
Operating transfers in	—	403,607	403,607	55,968	32,753	(23,215)
Sale of fixed assets	2,250	21,390	19,140	—	—	—
Operating transfers out	(506,000)	(506,610)	(610)	—	(24)	(24)
Miscellaneous	—	—	—	—	—	—
Total other financing sources (uses)	(476,750)	(12,612)	464,138	5,653	(15,090)	(20,743)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(504,148)	1,002,369	1,506,517	31,599	58,446	26,847
Fund balances - beginning of year	1,574,039	1,728,357	154,318	227,846	248,960	21,114
FUND BALANCES - END OF YEAR	\$ 1,069,891	\$ 2,730,726	\$ 1,660,835	\$ 259,445	\$ 307,406	\$ 47,961

See accompanying notes.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

INTRODUCTION

The Plaquemines Parish School Board was created by Louisiana Revised Statute (LSA-R.S.) 17:51 to provide public education for the children within Plaquemines Parish. The school board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the State of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The school board is comprised of nine members who are elected from nine districts for terms of four years.

The school board operates eight schools within the parish with a total enrollment of 5,115 pupils for 1996 and 5,078 for 1995. In conjunction with the regular educational programs, some of these schools offer head start, special education and/or adult education programs. In addition, the school board provides transportation and school food services for the students.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

REPORTING ENTITY:

As the governing authority of the parish, for reporting purposes, the Plaquemines Parish Government is the financial reporting entity for Plaquemines Parish. The financial reporting entity consists of the (a) primary government, (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the financial reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria are:

1. Appointing a voting majority of an organization's governing body, and
 - a. the ability of the parish government to impose its will on that organization and/or
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but which are fiscally dependent on the parish government.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

REPORTING ENTITY: (Continued)

For the following reasons, the Plaquemines Parish School Board is not considered to be a component unit of the Plaquemines Parish Government, the reporting entity:

1. The Plaquemines Parish Government does not have the ability to appoint or impose its will on the school board.
2. The school board is not fiscally dependent on the parish government.
3. The relationship between the school board and the Plaquemines Parish Government is not significant and therefore the parish government's financial statements are not misleading because of the exclusion of the school board's financial information.

The accompanying financial statements present information only on the funds maintained by the school board and do not present information on the parish government, the general government services provided by that government unit, or the other governmental units that comprise the financial reporting entity.

BASIS OF PRESENTATION:

The accompanying financial statements of the Plaquemines Parish School Board have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The school board uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid in financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable financial resources.

Funds of the school board are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

GOVERNMENTAL FUNDS:

Governmental funds account for the majority of the school board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS: (Continued)

General Fund:

The general operating fund of the school board accounts for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally designated to finance particular functions or activities of the school board.

Debt Service Funds:

Debt service funds are established to meet requirements of bond ordinances and to account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

Capital Project Funds:

Capital project funds account for financial resources received and used for the acquisition, construction, or improvement of major capital facilities not reported in the other governmental funds.

FIDUCIARY FUNDS:

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the school board. Fiduciary funds include:

School Activity Agency Fund

The School Activity Agency Fund accounts for assets held by the school board as an agent for the individual schools and school organizations. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS:

General Fixed Assets Account Group

This account group is established to account for the fixed assets of the school board.

General Long-term Debt Account Group

This account group is established to account for all long-term obligations of the school board.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF ACCOUNTING:

Governmental Funds:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds, expendable trust funds, and agency funds. The governmental funds and expendable trust funds use the following practices in recording revenues and expenditures:

Revenues:

Revenues are recognized when they become measurable and available.

Federal and state entitlements are recorded as unrestricted grants-in-aid when available and measurable.

Federal and state grants are recorded when the reimbursable expenditures have been incurred.

Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

Sales and use taxes are recorded in the month collected by the school board's collecting agent, the Plaquemines Parish Government.

Income on deposits, cash equivalents and investments is recorded when measurable and available.

Revenues from rentals, leases and royalties are recorded when earned.

Substantially all other revenues are recorded when received.

Expenditures:

Salaries are recorded as expenditures when earned. Nine-month employees' salaries are earned over a nine-month period but are paid over a twelve-month period.

Purchases of various operating supplies are recorded as expenditures in the accounting period purchased.

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF ACCOUNTING: (Continued)

Expenditures: (Continued)

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death. The cost of leave privileges expenditures not requiring current resources is recorded in the general long-term debt account group.

Commitments under construction contracts are recognized as expenditures when earned by the contractors.

Principal and interest on general long-term debt are recognized when due.

Substantially all other expenditures are generally recognized when the related fund liability is incurred.

Other Financing Sources (Uses):

Proceeds from lease-purchases, bond issuances, compensation for loss or damage to fixed assets, gain (loss) on investments, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These financing sources (uses) are recognized at the time the underlying events occur.

BUDGETS:

The following summarizes the budget activities of the school board for the years ended June 30, 1996 and 1995:

	<u>1995-96 Budget Year</u>
Completed & Available for Public Inspection	July 10, 1995
Public Notices	July 14, 21, 28, 1995
Public Hearings	July 31, 1995
Board Adoption	August 7, 1995
	<u>1994-95 Budget Year</u>
Completed & Available for Public Inspection	August 1, 1994
Public Notices	August 5, 12, 19, 1994
Public Hearings	August 22, 1994
Board Adoption	September 12, 1994

The school board adopted annual budgets for the General Fund and all Special Revenue Funds. All funds for which a budget was adopted are included in these financial statements.

The budget is prepared on the modified accrual basis of accounting. All appropriations lapse at year end. Encumbrances are recognized within the accounting records for budgetary control purposes. Formal budget integration (within the accounting records) is employed as a management control device. The

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BUDGETS: (Continued)

Superintendent of Schools is authorized to transfer amounts between line items within any fund. However, when actual revenues within a fund fail to meet budgeted revenues by 5% or more and/or actual expenditures within a fund exceed budgeted expenditures by 5% or more, a budget revision is adopted by the school board in an open meeting. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent revisions.

ENCUMBRANCES:

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Project Funds. Encumbrances outstanding at the end of the fiscal year are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables and short-term interfund loans are classified as interfund receivables/payables.

ADVANCES TO OTHER FUNDS:

Non-current portions of long-term interfund loan receivables are reported as advances.

INVENTORIES:

Inventory of the School Lunch Fund consists of food purchases by the school board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenses when consumed. All purchased inventory items are valued at the lower of cost (first in, first out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

FIXED ASSETS:

Fixed assets of governmental funds are recorded as expenditures at the time they are purchased, constructed or donated, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost, estimated cost, or fair value if donated.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

COMPENSATED ABSENCES:

The school board has two types of compensated absences which accumulate or vest as follows:

Vacation and Sick Leave:

Under the terms of state law and school board policy, teachers and other nine-month employees accrue 10 days of sick leave each school year, which can be accumulated without limitation. Upon retirement or death prior to retirement, unused accumulated sick leave of up to 25 days is paid to the employee or the employee's beneficiary at the employee's current rate of pay. Upon retirement, sick leave is used in the retirement benefit computation as earned service. Under the Louisiana Teachers' Retirement System, the total unused accumulated sick leave, including the 25 days paid, is used in the retirement benefit computation as earned service for leave earned prior to July 1, 1988. For sick leave earned after July 1, 1988, under the Louisiana Teachers' Retirement System, all unpaid sick leave, which excludes the 25 days paid, is used in the retirement benefit computation as earned services. Under reduction in force, a laid-off employee may choose to be paid for his accumulated sick leave.

All 12-month employees accrue from 5 to 20 days vacation leave each year depending on length of service with the school board. Vacation leave can be accumulated up to 50 days. Upon termination, retirement, or death prior to retirement, unused accumulated vacation is paid at the employee's current rate of pay. In addition, these employees accrue from 10 to 18 days of sick leave each year depending on length of service with the school board. Unused accumulated sick leave for 12-month employees is paid in the manner described above for teachers and nine-month employees.

Sabbatical Leave:

Any employee with a teaching certificate is entitled, subject to approval by the school board, to one semester of sabbatical leave after three years of continuous service, or two semesters of sabbatical leave after six years of continuous service. Leave may be granted for rest and recuperation, and professional and cultural improvement. Sabbatical leave benefits are recorded as an expenditure of the period in which paid.

The cost of leave privileges are recorded as an expenditure of the period in which paid. The cost of leave privileges not requiring current resources is recorded in the general long-term debt account group.

FUND EQUITY:

Reserves:

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND EQUITY: (Continued)

Designated Fund Balances:

Designated fund balances represent tentative plans for future use of financial resources.

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as operating transfers.

SALES AND USE TAXES:

The school board levies one percent sales and use tax with receipts deposited in the General Fund. The school board levies an additional one percent sales and use tax with receipts deposited to the Sales Tax Sinking Fund. The proceeds of this tax are dedicated and used for any lawful school purpose, including payments of salaries and fringe benefits, building operations and maintenance, and instructional programs, with any excess transferred to the General Fund. The tax is collected by the Sales Tax Department of the Plaquemines Parish Government.

TOTAL COLUMNS ON COMBINED STATEMENTS:

The total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS:

Educational Consolidation Improvement Act (IASA) Funds:

IASA Title I (formerly Chapter 1):

This is a program for economically and educationally deprived school children which is federally financed, state-administered and locally operated by the school board. The services are provided through various projects which are designated to meet the special needs of educationally deprived children. The activities supplement rather than replace state and local mandated activities. Program funds are obtained from Federal grants through the State Department of Education.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

Educational Consolidation Improvement Act (IASA) Funds: (Continued)

IASA Title I Migrant Education:

The IASA Title I Migrant Education Funds are used to provide additional instruction in reading and math to identified students through an individualized instruction program. The IASA Title I Migrant Education Recruiter Program is used to enlist the cooperation of school systems in the multi-parish recruiting area, identify migrant children, establish contacts with migrant families, and assist in planning educational, health and social services for migrant children. Program funds are obtained from Federal grants through the State Department of Education.

IASA Title VI (formerly Chapter 2 Block Grant):

This is a program by which the Federal government provides funds to the school board for audio-visual materials, equipment, and library resources.

Adult Education:

The Adult Basic Education Fund accounts for Federal and State grants received through the State Department of Education and was established to monitor the expenditures of grant monies.

The Adult Education Program offers a basic and remedial academic curriculum to individuals at least 16 years of age or emancipated minors who have not obtained a high school diploma. The curriculum offered is intended to prepare the student for the high school equivalency examination. Students successfully completing the examination are awarded the High School Equivalency Examination Diploma.

Vocational Education:

Students in grades 9 through 12 have the opportunity to participate in vocational education through the State and federally funded programs. Courses in home economics, industrial arts, and business education offer training in job entry skills. Several co-op programs offer practical experiences in the job market.

Special Education Fund

The Special Education Fund is a State and federally financed program of free education in the least restricted environment to children with exceptionalities.

IASA Title II:

The program funds are used to promote professional growth leading to improving certification in math and science.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - SPECIAL REVENUE FUNDS: (Continued)

Drug-Free Schools Program

This program will establish and implement drug abuse education and prevention programs, and will enforce drug-related rules and regulations of student conduct in the schools.

Title XIX - EPSDT Program:

This program is to improve the health status of EPSDT eligible children by assuring the provision of preventive services, health assessment, and the necessary diagnosis, treatment and follow-up care in the context of an ongoing relationship between the patient and other health care givers.

Food Service Fund:

The Food Service Fund (Lunch/Breakfast) is a program that provides nourishing meals for students in all grades. This program is supplemented by both Federal and State funds that are based on reimbursement and participation.

Program Improvement Fund:

This fund accounts for an incentive grant that will assist schools in implementing a Title I School Improvement Plan.

Head Start Program:

This is a federally funded educational, social and health program for economically disadvantaged three to four-year old children.

Local Planning:

The Local Planning Grant was awarded to enable a school facilitation team to develop a plan for Chapter 1 Local Program Improvement. These funds were received only during the year ended June 30, 1995.

Capital Expense:

This grant was used to purchase a portable building to house the catholic school's Chapter 1 teachers, coordinators, and parental involvement programs. These funds were received only during the year ended June 30, 1995.

Family Act:

This grant is for a preventative partnership for violence-free Plaquemines Parish. The funds were received only during the year ended June 30, 1995.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - DEBT SERVICE FUNDS:

General Obligation Bond Fund:

The General Obligation Bond Fund accounts for the proceeds of property taxes (3.0 mill ad valorem taxes) that are dedicated for debt service.

Certificate Of Indebtedness Fund:

The Certificate of Indebtedness Fund accounts for the annual debt service requirement on the certificates. Scheduled transfers from the excess revenues of the General Fund are required to be made into this fund in an amount that will equal one-sixth of the interest falling due on the next interest payment date and one-twelfth of the principal falling due on the next principal payment date.

Certificate Of Indebtedness Reserve Fund:

The Certificate of Indebtedness Reserve Fund accounts for that portion of the transfers from the General Fund that are set aside as a reserve to pay principal and interest on the certificates payable from the certificate of indebtedness fund for which there would otherwise be a default. The maximum amount required to be accumulated in this fund at June 30, 1996 and 1995 is \$75,000.

Sales Tax Bond Fund:

The Sales Tax Bond Fund accounts for the proceeds of a one percent sales and use tax levied and collected by the collecting agency.

Sales Tax Reserve Fund:

The Sales Tax Reserve Fund accounts for the establishment of a reserve in the amount of \$1,100,000, or the highest combined principal and interest requirements for any succeeding bond year, ending March 1, which equalled \$1,018,985 as of June 30, 1996 and \$1,028,325 as of June 30, 1995.

FUND DESCRIPTIONS - CAPITAL PROJECTS FUNDS:

1984 General Obligation Construction Fund:

This fund accounts for the issuance of General Obligation Bonds in the amount of \$7,500,000, dated March 1, 1984 that matured on March 1, 1994. The sale of bonds was for the purpose of air-conditioning, improving and renovating public school buildings in the Parish of Plaquemines, and to acquire the necessary equipment and furnishings. The bond was authorized at a special election held on January 21, 1984, issued by a resolution adopted by the Plaquemines Parish School Board, and approved by the Attorney General of the State of Louisiana on April 23, 1984.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS - CAPITAL PROJECTS FUNDS:

1984 General Obligation Construction Fund: (Continued)

On November 4, 1986, a new Proposition I was put before the voters of Plaquemines Parish to determine the use of the excess funds from Proposition I for 1983 for air-conditioning the schools of Plaquemines Parish. Approximately \$2,000,000 of excess funds and \$1,700,000 in interest earned was considered. The people of Plaquemines Parish decided to expand the use of these funds to include the additional purposes of construction and acquiring additional classrooms as needed throughout the school district.

The 1984 General Obligation Bonds matured on March 1, 1994. The fund's remaining assets were liquidated and expended or transferred to other funds with the same purpose during the year ended June 30, 1995 and the fund was closed.

1992 General Obligation Construction Fund:

This fund accounts for the issuance of \$2,300,000 of General Obligation School Bonds, Series 1992. The purpose of the issuance was for acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities within and for the District and acquiring the necessary equipment and furnishings therefore, payable from unlimited ad valorem taxation.

The fund was closed during the year ended June 30, 1995 since its resources had been expended.

1993 General Obligation Fund:

This fund accounts for the issuance of \$5,700,000 of General Obligation School Bonds, Series 1993. The purpose of the issuance is for acquiring and/or improving lands for building sites and playgrounds, including construction of necessary sidewalks and streets adjacent thereto; purchasing, erecting and/or improving school buildings and other school related facilities within and for the District and acquiring the necessary equipment and furnishings therefore, payable from unlimited ad valorem taxation.

Sales Tax Construction Fund:

The Plaquemines Parish School Board adopted a resolution on February 3, 1992 to issue \$11,000,000 of Sales Tax School Bonds, Series 1992, for the purpose of making capital improvements to the public school system of the Parish (including, but not limited to constructing, acquiring, erecting, improving, and repairing schools and school related facilities), payable solely from and secured by an irrevocable pledge and dedication of the avails or proceeds of the special one percent sales and use tax.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

2. FUND DEFICITS:

There are no deficits in any individual funds at June 30, 1996 and June 30, 1995.

3. LEVIED TAXES:

Property taxes are levied each November 1st on assessed value listed as of the prior January 1st for all real property, merchandise and movable property located in the parish. Taxes are assessed on a calendar year basis, become due on November 15 of each year and become delinquent on December 31. Assessed values are established by the Plaquemines Parish Assessor's Office and the State Tax Commission of actual value as specified by Louisiana Law. Property taxes are recorded as revenue by the school board in the year the taxes are received. A portion of exempt taxes due to homestead exemptions relating to constitutional special school taxes are reimbursed to the school board through state revenue sharing.

As required by the State of Louisiana Statute, prescribed deductions are made from the school board's property tax receipts for contributions to cover cost of various pension funds. For the years ended June 30, 1996 and 1995, respectively, \$183,508 and \$173,264 had been deducted from property tax receipts for amounts due to various pension funds.

The following is a summary of parish wide authorized and levied ad valorem taxes for the fiscal years ended June 30, 1996 and 1995:

	1996		1995	
	Authorized Millage	Levied Millage	Authorized Millage	Levied Millage
Constitutional	5.00	5.80	5.00	5.80
Proposition I	3.50	3.00	3.50	3.00
Proposition II	2.00	2.40	2.00	2.40
Proposition III	4.00	4.78	4.00	4.78

The differences between authorized and levied millages are the results of reassessments of the tax rolls required by Article 7, Section 23 of the Louisiana Constitution of 1974.

4. ACCOUNTS RECEIVABLE:

The accounts receivable of \$2,417,616 at June 30, 1996 are as follows:

	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	TOTAL
TAXES:				
Sales	\$1,655,115	\$ --	\$169,830	\$1,824,945
Ad valorem	10,984	--	2,661	13,645
GRANTS:				
State	45,323	37,293	--	45,323
Federal - direct	10,149	485,309	--	47,442
Federal - received through the State	--	--	--	485,309
OTHERS	<u>952</u>	<u>--</u>	<u>--</u>	<u>952</u>
TOTALS	<u>\$1,722,523</u>	<u>\$522,602</u>	<u>\$172,491</u>	<u>\$2,417,616</u>

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

5. EMPLOYEE RETIREMENT SYSTEMS:

Substantially all employees of the school board are members of two statewide retirement systems, both of which are cost-sharing multiple-employer public employee retirement systems (PERS). In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); and other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service.

Under LSERS, employees are eligible to retire after attaining age 60 and 10 years of accredited service, age 55 and 25 years of accredited service, or any age with 30 years of accredited service. The retirement benefit will be paid monthly based on 2.5% of average final compensation times the years of creditable service (including creditable unused sick and annual leave), plus an additional .5% of average final compensation times the years of creditable service in excess of 20 years, plus two dollars per month for each year of creditable service supplemental benefit, not to exceed average final compensation. The plan also includes disability retirement benefits.

The formula for annual maximum retirement benefits under TRS is 2 or 2.5% (Regular Plan) or 1 or 3% (Plan A) of final average salary for each year of credited service. Final average salary is based upon the member's highest successive thirty-six months of salary. Benefits are paid monthly for life.

Benefits of the system are funded by employee and employer contributions. The contribution rates (as a percentage of covered salaries) are established by state law as follows:

Louisiana School Employees' Retirement System:

<u>Period</u>	<u>Employee</u>	<u>Employer</u>
July 1, 1995 - June 30, 1996	6.35%	6.00%
July 1, 1994 - June 30, 1995	6.35%	6.00%

Louisiana Teachers' Retirement System:

Regular:

<u>Period</u>	<u>Employee</u>	<u>Employer</u>
July 1, 1995 - June 30, 1996	8.00%	16.50%
July 1, 1994 - June 30, 1995	8.00%	16.20%

Louisiana Teachers' Retirement System:

Plan A:

<u>Period</u>	<u>Employee</u>	<u>Employer</u>
July 1, 1995 - June 30, 1996	9.10%	16.50%
July 1, 1994 - June 30, 1995	9.10%	16.20%

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

5. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

The school board's employer contribution for the TRS, as provided by state law, is funded by the State of Louisiana through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the school board. For the LSERS, the school board's employer contribution is funded by the State of Louisiana through annual appropriations. Benefits granted by the retirement system are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. For the years ended June 30, 1996 and June 30, 1995, the current-year payroll for the school board totalled \$16,580,574 and \$16,156,527, respectively. The actuarially required contribution by the school board for the years ended June 30, 1996 and 1995 is \$2,377,203 and \$2,223,552, respectively. The actual employer contributions and total current-year payroll of covered employees for 1996 and 1995 follows:

	<u>TRS</u>		<u>LSERS</u>	<u>TOTAL</u>
	<u>Regular</u>	<u>Plan A</u>		
Employer contribution - 1996	\$ 2,218,441	\$ 43,707	\$ 111,325	\$ 2,373,473
Employer contribution - 1995	2,074,267	50,168	94,989	2,219,424
Total covered payroll - 1996	13,467,675	264,892	1,855,486	15,588,053
Total covered payroll - 1995	12,869,603	269,670	1,583,143	14,722,416

The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-5 that, with some exceptions, must be used by a PERS. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of PERS financial statements to (a) assess the PERS funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among other PERS and among other employers.

Total unfunded pension benefit obligations as of June 30, 1995 are as follows (in millions):

	<u>TRS</u>	<u>LSERS</u>
Total pension benefit obligations	\$10,570	\$834
Net assets available for pension benefits	<u>6,275</u>	<u>986</u>
Unfunded pension benefit obligations	<u>\$ 4,295</u>	<u>\$ --</u>

The measurement of the above total pension benefit obligation is based on an actuarial valuation as of June 30, 1995. Net assets available to pay pension benefits were valued as of the same date.

Total unfunded pension benefit obligations as of June 30, 1996 are as follows (in millions):

	<u>TRS</u>	<u>LSERS</u>
Total pension benefit obligations	\$11,233	\$ *
Net assets available for pension benefits	<u>7,057</u>	<u>1,102</u>
Unfunded pension benefit obligations	<u>\$ 4,176</u>	<u>\$ --</u>

* The total pension benefit obligation at June 30, 1996 for LSERS is not available.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

5. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

The school board's 1995 and 1996 required contribution to the PERS represents less than one percent of the total current-year actuarially determined contribution requirements for all employers covered by the pension plans.

Ten-year historical trend information is presented in the 1995 PERS's Comprehensive Annual Financial Reports. This information is useful in assessing the pension plans' accumulation of sufficient assets to pay pension benefits as they become due.

6. OTHER POST-EMPLOYMENT BENEFITS:

The Plaquemines Parish School Board provides certain continuing health care and life insurance benefits for its retired employees as required by state law. Substantially all of the school board's employees become eligible for these benefits if they reach normal retirement age while working for the school board. These benefits for retirees and similar benefits for active employees are provided through an insurance company, whose monthly premiums are paid jointly by the employee and by the school board. The school board recognizes the cost of providing these benefits (the board's portion of premiums) as an expenditure when the monthly premiums are paid. For the years ended June 30, 1996 and 1995, the school board's portion of the premiums were \$163,776 and \$138,133 for approximately 122 and 112 retirees, respectively.

7. ACCOUNTS, SALARIES AND OTHER PAYABLES:

The payables of \$2,921,409 at June 30, 1996 are as follows:

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	SCHOOL ACTIVITY FUND	TOTAL
Salaries	\$2,086,649	\$ --	\$ --	\$ --	\$2,086,649
Others	218,679	154,888	138,928	322,265	834,760
TOTAL	<u>\$2,305,328</u>	<u>\$154,888</u>	<u>\$138,928</u>	<u>\$322,265</u>	<u>\$2,921,409</u>

8. INTERFUND PAYABLES/RECEIVABLES AND ADVANCES:

Individual balances due from/to other funds at June 30, 1996 are as follows:

	DUE TO	DUE FROM
General Fund	\$578,875	\$ 34,692
Food Service	--	154,182
Migrant	--	3,303
Title I	1	255,018
Special Education	--	43,721
Vocational Education	--	181
Adult Education	--	10,553
Drug-Free	--	9,088
Title II	--	4,214
Title XIX	--	39,489
Title VI	188	--
Headstart	--	24,600
Family Act	--	23
TOTAL	<u>\$579,064</u>	<u>\$579,064</u>

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

8. INTERFUND PAYABLES/RECEIVABLES AND ADVANCES: (Continued)

Individual balances of advances to/from other funds at June 30, 1996 are as follows:

	<u>ADVANCES TO</u>	<u>ADVANCES FROM</u>
General Fund	\$ --	\$127,400
Title I	15,000	--
Migrant	5,000	--
Title VI	12,900	--
Title II	5,000	--
Drug-Free	7,000	--
Special Education	10,000	--
Adult Education	5,000	--
Vocational Education	65,000	--
Family Act	<u>2,500</u>	<u>--</u>
TOTAL	<u>\$127,400</u>	<u>\$127,400</u>

9. LEASES:

Capital:

The school board recorded the following capital leases for office equipment as assets and obligations in the accompanying financial statements. For the years ended June 30, 1996 and 1995, principal in the amount of \$102,952 and \$140,996, respectively, was paid on capital leases. For the years ended June 30, 1996 and 1995, interest in the amount of \$36,925 and \$17,180, respectively, was paid on capital leases. The school board's policy is to expense lease payments in the year paid. The following is a schedule of future minimum lease payments under capital lease agreements as of June 30, 1996:

<u>FISCAL YEAR</u>	<u>AMOUNT</u>
1996-97	\$154,687
1997-98	140,413
1998-99	134,687
1999-00	124,341
2000-01	64,975
Thereafter	<u>14,945</u>
Total minimum lease payment	634,048
Less: Amount representing interest	(104,134)
Present value of net minimum lease payment	529,914
Less: current portion	<u>(115,516)</u>
Total long-term lease	<u>\$414,398</u>

The gross amount of assets recorded in the general fixed assets account group under capital leases is \$627,128 at June 30, 1996.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

10. CHANGES IN AGENCY FUND DEPOSITS DUE OTHERS:

A summary of changes in agency fund deposits due others follows:

	<u>BALANCE AT BEGINNING OF YEAR</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE AT END OF YEAR</u>
School Activity Accounts:				
1996	\$232,239	\$1,151,062	\$1,061,036	\$322,265
1995	196,277	1,054,966	1,019,034	232,239

11. GENERAL LONG-TERM OBLIGATIONS:

The following is a summary of the long-term obligation transactions for the years ended June 30, 1996 and 1995:

	<u>BONDED DEBT</u>	<u>CERTIFICATE OF INDEBTEDNESS</u>	<u>CAPITAL LEASES</u>	<u>COMPENSATED ABSENCES</u>	<u>TOTAL</u>
Balance					
7/1/94	\$18,080,000	\$355,000	\$306,995	\$1,354,498	\$20,096,493
Additions	--	--	21,182	164,317	185,499
Deductions	<u>(955,000)</u>	<u>(45,000)</u>	<u>(140,996)</u>	--	<u>(1,140,996)</u>
BALANCE					
6/30/95	17,125,000	310,000	187,181	1,518,815	19,140,996
Additions	--	--	533,463	--	533,463
Deductions	<u>(1,020,000)</u>	<u>(55,000)</u>	<u>(190,730)</u>	<u>(76,218)</u>	<u>(1,341,948)</u>
BALANCE					
6/30/96	<u>\$16,105,000</u>	<u>\$255,000</u>	<u>\$529,914</u>	<u>\$1,442,597</u>	<u>\$18,332,511</u>

Capital Leases:

Capital leases represent obligations that are to be financed with future General Fund resources.

Compensated Absences:

Compensated absences payable consist of the portion of accumulated sick leave of the governmental funds that is not expected to require current resources. The additions for 1996 and 1995 represent the net changes during the year. The records are maintained in such a manner that the additions and deletions could not readily be determined; therefore, the net changes are reflected as additions in 1996 and 1995.

Bonds and Certificates:

All principal and interest requirements are funded in accordance with Louisiana law by the annual ad valorem tax levy on taxable property within the parish. At June 30, 1996 and 1995, the school board had accumulated \$2,417,700 and \$2,226,645, respectively, in the debt service funds for future debt requirements.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

11. GENERAL LONG-TERM OBLIGATIONS: (Continued)

The following is a schedule of information on the outstanding bonds and certificates of indebtedness of the school board as of June 30, 1996 and 1995:

	<u>DATE OF ISSUE</u>	<u>ORIGINAL ISSUE</u>	<u>INTEREST RATE</u>	<u>MATURITIES</u>
Certificate of Indebtedness, Series 1989	11-1-89	500,000	6.50 - 10.00%	11-1-1990 - 1999
General Obligation School Bonds, Series 1992	5-1-92	2,300,000	6.00 - 10.00	3-1-1993 - 2002
Sales Tax School Bonds, Series 1992	5-1-92	11,000,000	6.10 - 10.00	3-1-1993 - 2012
General Obligation Bonds, Series 1993	3-1-93	5,700,000	4.70 - 4.80	3-1-1995 - 2003

The annual requirements to amortize principal and interest on bonds and certificates outstanding at June 30, 1996 are as follows:

<u>YEAR ENDING JUNE 30</u>	<u>PRINCIPAL PAYMENTS</u>	<u>INTEREST PAYMENTS</u>	<u>TOTAL</u>
1997	\$ 1,155,000	\$1,002,880	\$ 2,157,880
1998	1,230,000	926,033	2,156,033
1999	1,315,000	843,496	2,158,496
2000	1,410,000	770,768	2,180,768
2001	1,425,000	699,195	2,124,195
2002 - 2012	<u>9,825,000</u>	<u>3,578,113</u>	<u>13,403,113</u>
	<u>\$ 16,360,000</u>	<u>\$7,820,485</u>	<u>\$24,180,485</u>

12. RESERVED AND DESIGNATED FUND BALANCES:

Designated for Capital Improvements:

Monies received from 16th Section Lands after January 15, 1985, have been designated for building improvements, construction or the purchase of land. At June 30, 1996, the balance in this account is \$49,570.

Designated for Insurance Deductibles:

The settlement of back sales and use taxes, certain refunds of insurance premiums, and a portion of the special appropriation from the parish government have been designated to fund the deductible amount on insurance policies. At June 30, 1996, the balance of this account is \$549,597.

Designated for Construction:

Monies received through the sale of the 1984, 1992 and 1993 General Obligation Bonds and the 1992 Sales Tax Construction Bonds are designated for construction and improvement of schools and school related facilities. At June 30, 1996, the amount designated for construction is \$9,427,401.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

12. RESERVED AND DESIGNATED FUND BALANCES: (Continued)

Reserved for Debt Service:

Monies are reserved in the Debt Service Fund to pay the principal and interest maturing in future years on bonded debts and certificates of indebtedness. At June 30, 1996, the balance of the reserve is \$2,417,700.

Reserved for Construction:

Monies are reserved in the Capital Projects Fund for building construction, major repairs and renovations, and construction of additional classrooms throughout the school district. At June 30, 1996, the balance of the reserve is \$679,379.

Reserved for Apartment Maintenance:

Monies received for rent are reserved in the General Fund for repairs and maintenance on apartments owned by the school board. At June 30, 1996, the balance of the reserve is \$70,952.

Reserved for Scholarship:

Monies donated by various organizations are reserved for scholarships to qualified students of the Plaquemines Parish School Board. At June 30, 1996 the balance of the reserve is \$28,431.

Reserved for Encumbrances:

The amount of \$22,068 has been reserved to pay for outstanding requisitions and purchase orders as of June 30, 1996.

13. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS:

Following are the components of the school board's deposits, cash equivalents and investments at June 30, 1996:

Deposits	\$ 2,162,098
Cash equivalents	5,380,903
Investments	<u>9,249,398</u>
	<u>\$16,792,399</u>

Deposits:

The school board's bank deposits were entirely covered by federal depository insurance and pledged securities. As of June 30, 1996, the bank balances of the deposits totaled \$3,435,760.

Cash Equivalents:

The school board considers all highly-liquid debt instruments with a maturity of one year or less to be cash equivalents. The school board's cash equivalents include money market demand deposit accounts held with financial institutions, certificates of deposit, treasury bills, and government money market funds. All cash equivalents are carried at cost.

PLAQUEMINES PARISH SCHOOL BOARD
 NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

13. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Cash Equivalents: (Continued)

	<u>AMOUNT</u>
Money market demand accounts were entirely covered by federal depository insurance and pledged securities. As of June 30, 1996 bank balances of money market demand accounts consist of \$1,424,081.	\$1,424,081
Certificates of deposit were entirely covered by federal depository insurance and pledged securities.	530,000
Cash equivalents of government money market funds consist of short-term government securities. The funds are held by a sub-custodian, managed and held in the name of the school board's broker-dealer. As of June 30, 1996, the bank balances of the government money market funds consist of \$250,297.	250,297
Cash equivalents of government money market funds consist of government securities and repurchase agreements which are held in pooled funds. The funds are held and managed by a sub-custodian. As of June 30, 1996, the bank balance consists of \$3,176,525.	<u>3,176,525</u>
TOTAL CASH EQUIVALENTS	<u>\$5,380,903</u>

Investments:

Statutes authorize the school board to invest in direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies, provided such obligations are backed by the full faith and credit of the United States of America; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by U.S. Government instrumentalities, which are federally sponsored; mutual or trust fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States or its agencies; and certain guaranteed investment contracts.

The school board's investments are described below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the school board or its agent in the school board's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the school board's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the school board's name.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

13. DEPOSITS, CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Investments: (Continued)

The school board's investments are carried at amortized cost and consist of notes and mortgages of the U.S. Government, federal agencies and U.S. Government instrumentalities. The investments are held by the Federal Reserve Bank in the name of the school board's broker-dealer. The investments are managed by the school board's broker-dealer but are restricted by the bond indenture. The following is a schedule of investments by investment type:

	Carrying Amount	Market Value
U.S. Treasury Notes	\$1,146,523	\$1,127,638
Federal National Mortgage Association	3,096,737	2,863,203
Federal Home Loan Mortgage Corporation	3,271,138	3,064,998
Tennessee Valley Authority	<u>1,735,000</u>	<u>1,703,562</u>
	<u>\$9,249,398</u>	<u>\$8,759,401</u>

Market values are furnished by the school board's investment custodian. The unrealized loss as of June 30, 1996 is \$489,996.

14. FIXED ASSETS:

During the year ended June 30, 1996, the school board took a complete physical inventory of its fixed assets and updated its general ledger to agree to the physical inventory. However, the school board has not correctly recorded additions to its fixed asset inventory after the physical inventory date. The effect on the financial statements is not reasonably determinable.

Changes in the general fixed assets account group are as follows for the two years ended June 30, 1996:

	Balance 6-30-94	Additions	Deletions	Balance 6-30-95	Additions	Deletions	Cumulative Effect of Adjustment to Physical Inventory	Balance 6-30-96
Land	\$ 31,000	\$ --	\$ --	\$ 31,000	\$ --	\$ --	\$ (19,400)	\$ 11,600
Buildings	6,585,968	--	--	6,585,968	--	--	2,318,194	8,904,162
Improvements other than buildings	4,456,111	--	--	4,456,111	--	--	(4,456,111)	--
Equipment	5,629,002	834,333	--	6,463,335	1,614,924	453,172	5,008,841	12,633,928
	<u>\$16,702,081</u>	<u>\$834,333</u>	<u>\$ --</u>	<u>\$17,536,414</u>	<u>\$1,614,924</u>	<u>\$453,172</u>	<u>\$2,851,524</u>	<u>\$21,549,690</u>

15. COMPENSATED ABSENCES:

At June 30, 1996, employees of the school board have accumulated and vested \$1,442,597 of employee leave benefits, which was computed in accordance with Standards and is reported in general long-term debt account group.

PLAQUEMINES PARISH SCHOOL BOARD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1996 AND 1995

16. SUBSEQUENT EVENT:

On November 4, 1996, the school board authorized an out-of-court settlement of a lawsuit resulting from an accident involving a school bus that occurred on October 26, 1993. The school board will pay \$150,100 that was not covered by insurance. The settlement has been accrued in the 1996 financial statements.

17. ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Generally accepted accounting principles require the disclosure of fair value of financial instruments for which it is considered practicable to estimate fair value. Because no readily available market exists for a portion of the school board's financial instruments, fair value for these instruments is based on judgments regarding current economic conditions, interest rate risk characteristics, loss experience and other factors. Many of these estimates involve uncertainties and matters of significant judgment and cannot be determined with precision. Therefore, the calculated fair value estimates cannot always be substantiated by comparison to independent markets and, in many cases, may not be realized in a current sale of the instruments. Changes in assumptions could significantly affect the estimates.

The following assumptions were made by the school board on estimating the fair value of its financial instruments at June 30, 1996:

- a) Cash and cash equivalents - for these short-term instruments, the carrying amount is a reasonable estimate of fair value.
- b) Investments - the fair value of U.S. Government obligations and U.S. Government agency and instrumentality obligations is based on quoted market prices.
- c) Capital lease obligations - the carrying amount is a reasonable estimate of fair value since substantially all leases were executed in fiscal year 1996.
- d) Bonds payable - fair value is estimated using rates for currently issued bonds and is based on the discounted value of contractual cash flows.

The estimated fair values of financial assets and financial liabilities at June 30, 1996 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$ 7,543,001	\$ 7,543,001
Investments	9,249,398	8,759,401
Financial liabilities:		
Bonds payable	16,360,000	16,830,233
Capital leases payable	529,914	529,914

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues from specific taxes or other earmarked revenue sources which by law are designated to finance particular functions or activities of government and which, therefore, cannot be diverted to other uses.

PLAQUEMINES PARISH SCHOOL BOARD
 SPECIAL REVENUE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1996

	TITLE I	MIGRANT EDUCATION	TITLE II	DRUG- FREE	TITLE XIX	HEAD START	FOOD SERVICE	SPECIAL EDUCATION	ADULT EDUCATION	VOCATIONAL EDUCATION	TITLE VI	FAMILY ACT	TOTAL
ASSETS:													
Cash	\$ 11,332	\$ 10,903	\$ 4,800	\$ 10,297	\$ 41,426	\$ 343	\$ 357,307	\$ 35,309	\$ 11,386	\$ 65,181	\$ 9,397	\$ 260	\$ 557,941
Accounts receivable	380,118	--	4,414	7,367	7,849	37,293	18,158	54,921	4,167	--	3,315	5,000	522,602
Interfund receivables	1	--	--	--	--	--	--	--	--	--	188	--	189
Inventory	--	--	--	--	--	--	100,767	--	--	--	--	--	100,767
TOTAL ASSETS	\$ 391,451	\$ 10,903	\$ 9,214	\$ 17,664	\$ 49,275	\$ 37,636	\$ 476,232	\$ 90,230	\$ 15,553	\$ 65,181	\$ 12,900	\$ 5,260	\$ 1,181,499
LIABILITIES:													
Accounts payable	\$ 120,835	\$ 2,600	--	--	--	\$ 13,036	\$ 8,107	\$ 10,310	--	--	--	--	\$ 154,888
Interfund payables	255,018	3,303	4,214	9,088	39,489	24,600	154,182	43,721	10,553	181	--	23	544,372
Advances from													
General Fund	15,000	5,000	5,000	7,000	--	--	--	10,000	5,000	65,000	12,900	2,500	127,400
Total liabilities	390,853	10,903	9,214	16,088	39,489	37,636	162,289	64,031	15,553	65,181	12,900	2,523	826,660
FUND EQUITY:													
Unreserved fund													
balance	598	--	--	1,576	9,786	--	313,943	26,199	--	--	--	2,737	354,839
TOTAL LIABILITIES													
AND FUND EQUITY	\$ 391,451	\$ 10,903	\$ 9,214	\$ 17,664	\$ 49,275	\$ 37,636	\$ 476,232	\$ 90,230	\$ 15,553	\$ 65,181	\$ 12,900	\$ 5,260	\$ 1,181,499

PLAQUEMINES PARISH SCHOOL BOARD
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1996

TITLE	MIGRANT EDUCATION	TITLE II	DRUG- FREE	TITLE XIX	PROGRAM IMPROVEMENT	HEAD START	FOOD SERVICE	SPECIAL EDUCATION	ADULT EDUCATION	VOCATIONAL EDUCATION	TITLE VI	FAMILY ACT	TOTAL
1													
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
General Fund		5,000											5,000
Interest earnings		202		386			6,226						6,814
Contributions and donations			1,731					480					2,211
Food service income							293,776						293,776
Other			1,693				2,096	500					4,290
Restricted Funds:													
State sources								43,597	19,500				63,097
Federal sources - through State	28,607	22,430	29,468	53,798			902,330	216,319	22,186	48,101	32,853	5,000	2,486,456
Federal sources - commodities							166,289						166,289
Federal sources - direct						299,587							299,587
Unrestricted Funds:													
State sources							235,440						235,440
Federal sources - direct								13,533					13,533
Total revenues	28,607	22,430	38,094	54,184		299,587	1,606,157	274,429	41,686	48,101	32,853	5,000	3,576,493

EXPENDITURES:													
Instruction:													
Special programs	909,651	19,367	21,629		115	166,945		173,685			33,041		1,324,433
Vocational education										48,101			48,101
Other instructional programs	170,688	8,856											189,988
Adult education									38,550				38,550

	TITLE 1	MIGRANT EDUCATION	TITLE II	DRUG- FREE	TITLE XIX	PROGRAM IMPROVEMENT	HEAD START	FOOD SERVICE	SPECIAL EDUCATION	ADULT EDUCATION	VOCATIONAL EDUCATION	TITLE VI	FAMILY ACT	TOTAL
Support Service Programs:														
Pupil support	\$ --	\$ --	\$ --	\$ --	\$ 44,014	\$ --	\$ 31,102	\$ --	\$ 13,804	\$ --	\$ --	\$ --	\$ 2,263	\$ 91,183
Instructional staff support	--	--	--	41,136	--	--	101,498	--	68,053	2,365	--	--	--	213,052
General administration	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Operations and maintenance	5,487	--	--	--	384	--	--	--	1,646	--	--	--	--	7,517
Student transportation	--	--	--	--	--	--	42	--	11,152	--	--	--	--	11,194
Food service program	--	--	--	--	--	--	--	1,578,317	--	--	--	--	--	1,578,317
Total expenditures	1,085,826	28,223	21,629	51,580	44,398	115	299,587	1,578,317	268,340	40,915	48,101	33,041	2,263	3,502,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	39,539	384	801	(13,486)	9,786	(115)	--	27,840	6,089	771	--	(188)	2,737	74,158
OTHER FINANCING SOURCES (USES):														
Operating transfers in	--	--	--	14,320	--	--	--	--	8,610	--	--	188	--	23,118
Indirect costs	(39,542)	(1,233)	(801)	--	--	--	--	--	(8,096)	(771)	--	--	--	(50,443)
Miscellaneous	--	--	--	--	--	--	--	600	--	--	--	--	--	600
Total other financing sources (uses)	(39,542)	(1,233)	(801)	14,320	--	--	--	600	514	(771)	--	188	--	(26,725)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(3)	(849)	--	834	9,786	(115)	--	28,440	6,603	--	--	--	2,737	47,433
Fund balance - beginning of year	601	849	--	742	--	115	--	285,503	19,596	--	--	--	--	307,406
FUND BALANCE - END OF YEAR	\$ 598	\$ --	\$ --	\$ 1,576	\$ 9,786	\$ --	\$ --	\$ 313,943	\$ 26,199	\$ --	\$ --	\$ --	\$ 2,737	\$ 354,839

PLAQUEMINES PARISH SCHOOL BOARD
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1995

	TITLE	MIGRANT	CHAPTER	TITLE	DRUG-	TITLE	PROGRAM	HEAD	FOOD	SPECIAL	ADULT	VOCATIONAL	LOCAL	CAPITAL	TOTAL
	1	EDUCATION	2	II	FREE	XIX	IMPROVEMENT	START	SERVICE	EDUCATION	EDUCATION	EDUCATION	PLAN	EXPENSE	
REVENUES:															
Local Sources:															
Special appropriation from Parish Government/															
General Fund	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Interest earnings					215	181			5,292						5,688
Contributions and donations	1,735				695										2,430
Food service income									285,735						285,735
Other					650				4,264						4,914
Restricted Funds:															
State sources										41,789	21,986				63,777
Federal sources - through State	1,103,871	39,575	31,406	28,220	34,849	21,607	4,000		889,912	169,326	26,693	53,967	900	68,500	2,472,826
Federal sources - commodities									101,918						101,918
Federal sources - direct								331,375							331,375
Unrestricted Funds:															
State sources									235,440						235,440
Total revenues	1,105,606	39,575	31,406	28,220	41,409	21,788	4,000	331,375	1,522,561	211,115	48,681	53,967	900	68,500	3,509,103
EXPENDITURES:															
Instruction:															
Special programs	822,838	36,501	31,406	27,549	4,500		594	237,423		152,939			825		1,314,575
Vocational education												53,967			53,967
Other instructional programs					16,982										16,982
Adult education											43,415				43,415

	TITLE 1	MIGRANT EDUCATION	CHAPTER 2	TITLE II	DRUG- FREE	TITLE XIX	PROGRAM IMPROVEMENT	HEAD START	FOOD SERVICE	SPECIAL EDUCATION	ADULT EDUCATION	VOCATIONAL EDUCATION	LOCAL PLAN	CAPITAL EXPENSE	TOTAL
Support Service Programs:															
Pupil support	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 21,456	\$ --	\$ 18,685	\$ --	\$ 16,411	\$ --	\$ --	\$ --	\$ --	\$ 56,552
Instructional staff															
support	214,564	3,066	--	--	41,453	--	3,300	60,989	--	41,053	4,040	--	75	--	368,540
General administration	945	--	--	--	--	--	--	84	--	--	50	--	--	--	1,079
Business services	--	--	--	--	--	--	--	--	--	--	250	--	--	--	250
Operation and															
maintenance	28,794	--	--	--	--	332	--	15,296	--	--	--	--	--	--	44,422
Student transportation	--	--	--	--	--	--	--	--	--	11,081	--	--	--	--	11,081
Food service program	--	--	--	--	--	--	--	--	1,456,204	--	--	--	--	--	1,456,204
Capital outlay	--	--	--	--	--	--	--	--	--	--	--	--	--	68,500	68,500
Total expenditures	1,067,141	39,567	31,406	27,549	62,935	21,788	3,894	332,477	1,456,204	221,484	47,755	53,967	900	68,500	3,435,567
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	38,465	8	--	671	(21,526)	--	106	(1,102)	66,357	(10,369)	926	--	--	--	73,536
OTHER FINANCING SOURCES (USES):															
Operating transfers in	--	--	--	--	13,568	--	--	--	--	19,185	--	--	--	--	32,753
Indirect costs	(37,864)	(1,523)	--	(671)	--	--	--	--	--	(6,835)	(926)	--	--	--	(47,819)
Miscellaneous expenditures	--	--	--	--	--	--	--	--	--	(24)	--	--	--	--	(24)
Total other															
Financing sources	(37,864)	(1,523)	--	(671)	13,568	--	--	--	--	12,326	(926)	--	--	--	(15,090)
(uses)															
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	601	(1,515)	--	--	(7,958)	--	106	(1,102)	66,357	1,957	--	--	--	--	58,446
Fund balance -															
beginning of year	--	2,364	--	--	8,700	--	9	1,102	219,146	17,639	--	--	--	--	248,960
FUND BALANCE - END OF YEAR	\$ 601	\$ 849	\$ --	\$ --	\$ 742	\$ --	\$ 115	\$ --	\$ 285,503	\$ 19,596	\$ --	\$ --	\$ --	\$ --	\$ 307,406

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the payment of interest and principal on all general obligation debt.

PLAQUEMINES PARISH SCHOOL BOARD
 DEBT SERVICE FUND
 COMBINING BALANCE SHEET
JUNE 30, 1996

ASSETS:	GENERAL OBLIGATION BOND	CERTIFICATE OF INDEBTEDNESS FUND	SALES TAX BOND FUND	CERTIFICATE OF INDEBTEDNESS RESERVE FUND	SALES TAX RESERVE FUND	TOTAL
Cash	\$ 91,065	\$ 48,370	\$ 299,887	\$ 75,000	\$ 3,545	\$ 517,867
Cash equivalents	321,139	—	—	—	16,784	337,923
Investments	—	—	—	—	1,377,046	1,377,046
Accounts receivable	2,661	—	169,830	—	—	172,491
Accrued interest receivable	—	—	—	—	12,373	12,373
TOTAL ASSETS	<u>\$ 414,865</u>	<u>\$ 48,370</u>	<u>\$ 469,717</u>	<u>\$ 75,000</u>	<u>\$ 1,409,748</u>	<u>\$ 2,417,700</u>
FUND EQUITY:						
Fund balances reserved for						
Debt Service	\$ 414,865	\$ 48,370	\$ 469,717	\$ 75,000	\$ 1,409,748	\$ 2,417,700
TOTAL FUND EQUITY	<u>\$ 414,865</u>	<u>\$ 48,370</u>	<u>\$ 469,717</u>	<u>\$ 75,000</u>	<u>\$ 1,409,748</u>	<u>\$ 2,417,700</u>

PLAQUEMINES PARISH SCHOOL BOARD
DEBT SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1996

	GENERAL OBLIGATION BOND	CERTIFICATE OF INDEBTEDNESS FUND	SALES TAX BOND FUND	CERTIFICATE OF INDEBTEDNESS RESERVE FUND	SALES TAX RESERVE FUND	TOTAL
REVENUES:						
Ad valorem taxes	\$ 1,166,301	\$ --	\$ --	\$ --	\$ --	\$ 1,166,301
Sales taxes	--	--	1,023,655	--	--	1,023,655
Interest earnings	15,651	665	5,842	3,662	86,365	112,185
Total revenues	<u>1,181,952</u>	<u>665</u>	<u>1,029,497</u>	<u>3,662</u>	<u>86,365</u>	<u>2,302,141</u>
EXPENDITURES:						
Support Service Programs:						
General administration	34,451	--	--	--	--	34,451
Debt Service:						
Principal retirement	685,000	55,000	335,000	--	--	1,075,000
Interest payment	352,695	19,358	701,825	--	--	1,073,878
Miscellaneous:						
Bank, legal fees and other charges	905	200	--	--	--	1,105
Total expenditures	<u>1,073,051</u>	<u>74,558</u>	<u>1,036,825</u>	<u>--</u>	<u>--</u>	<u>2,184,434</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>108,901</u>	<u>(73,893)</u>	<u>(7,328)</u>	<u>3,662</u>	<u>86,365</u>	<u>117,707</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	--	77,010	--	--	--	77,010
Operating transfers out	--	--	--	(3,662)	--	(3,662)
Total other financing sources (uses)	<u>--</u>	<u>77,010</u>	<u>--</u>	<u>(3,662)</u>	<u>--</u>	<u>73,348</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>108,901</u>	<u>3,117</u>	<u>(7,328)</u>	<u>--</u>	<u>86,365</u>	<u>191,055</u>
Fund balance - beginning of year	<u>305,964</u>	<u>45,253</u>	<u>477,045</u>	<u>75,000</u>	<u>1,323,383</u>	<u>2,226,645</u>
FUND BALANCE - END OF YEAR	<u>\$ 414,865</u>	<u>\$ 48,370</u>	<u>\$ 469,717</u>	<u>\$ 75,000</u>	<u>\$ 1,409,748</u>	<u>\$ 2,417,700</u>

PLAQUEMINES PARISH SCHOOL BOARD
DEBT SERVICE FUND

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1995

	GENERAL OBLIGATION BOND	CERTIFICATE OF INDEBTEDNESS FUND	SALES TAX BOND FUND	CERTIFICATE OF INDEBTEDNESS RESERVE FUND	SALES TAX RESERVE FUND	TOTAL
REVENUES:						
Ad valorem taxes	\$ 1,102,155	\$ --	\$ --	\$ --	\$ --	\$ 1,102,155
Sales taxes	--	--	1,033,533	--	--	1,033,533
Interest earnings	11,516	584	7,306	3,607	91,580	114,593
Total revenues	<u>1,113,671</u>	<u>584</u>	<u>1,040,839</u>	<u>3,607</u>	<u>91,580</u>	<u>2,250,281</u>
EXPENDITURES:						
Support Service Programs:						
General administration	32,528	--	--	--	--	32,528
Debt Service:						
Principal retirement	640,000	45,000	315,000	--	--	1,000,000
Interest payment	389,330	22,685	733,325	--	--	1,145,340
Miscellaneous:						
Bank, legal fees and other charges	5,261	--	1,736	--	--	6,997
Total expenditures	<u>1,067,119</u>	<u>67,685</u>	<u>1,050,061</u>	<u>--</u>	<u>--</u>	<u>2,184,865</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>46,552</u>	<u>(67,101)</u>	<u>(9,222)</u>	<u>3,607</u>	<u>91,580</u>	<u>65,416</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	--	73,857	--	--	--	73,857
Operating transfers out	--	--	--	(3,607)	--	(3,607)
Total other financing sources (uses)	<u>--</u>	<u>73,857</u>	<u>--</u>	<u>(3,607)</u>	<u>--</u>	<u>70,250</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>46,552</u>	<u>6,756</u>	<u>(9,222)</u>	<u>--</u>	<u>91,580</u>	<u>135,666</u>
Fund balance - beginning of year	259,412	38,497	486,267	75,000	1,231,803	2,090,979
FUND BALANCE - END OF YEAR	<u>\$ 305,964</u>	<u>\$ 45,253</u>	<u>\$ 477,045</u>	<u>\$ 75,000</u>	<u>\$ 1,323,383</u>	<u>\$ 2,226,645</u>

CAPITAL PROJECTS FUND

The Capital Projects Fund accounts for all resources used for the acquisition and/or construction of capital facilities of the School Board.

PLAQUEMINES PARISH SCHOOL BOARD
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEET
JUNE 30, 1996

	SALES TAX CONSTRUCTION FUND	1993 GENERAL OBLIGATION CONSTRUCTION FUND	<u>TOTAL</u>
ASSETS:			
Cash	\$ 588,193	\$ 39,461	\$ 627,654
Cash equivalents	1,843,326	227,945	2,071,271
Investments	6,863,924	626,978	7,490,902
Accrued interest receivable	<u>45,517</u>	<u>10,364</u>	<u>55,881</u>
TOTAL ASSETS	\$ <u>9,340,960</u>	\$ <u>904,748</u>	\$ <u>10,245,708</u>
LIABILITIES AND FUND EQUITY:			
Liabilities:			
Accounts payable	\$ 67,153	\$ 71,775	\$ 138,928
Total liabilities	<u>67,153</u>	<u>71,775</u>	<u>138,928</u>
Fund Equity:			
Reserved for construction	325,098	354,281	679,379
Designated for construction	8,948,709	478,692	9,427,401
Total fund equity	<u>9,273,807</u>	<u>832,973</u>	<u>10,106,780</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>9,340,960</u>	\$ <u>904,748</u>	\$ <u>10,245,708</u>

PLAQUEMINES PARISH SCHOOL BOARD
 CAPITAL PROJECTS FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1996

	SALES TAX CONSTRUCTION FUND	1993 GENERAL OBLIGATION CONSTRUCTION FUND	TOTAL
REVENUES:			
Local Sources:			
Interest earnings	\$ 601,465	\$ 47,110	\$ 648,575
Total revenues	<u>601,465</u>	<u>47,110</u>	<u>648,575</u>
EXPENDITURES:			
Capital outlay:			
Equipment	359,940	--	359,940
Building repairs/maintenance	615,015	153,869	768,884
Others	10,587	2,663	13,250
Facility acquisition & construction	167,702	15,805	183,507
Total expenditures	<u>1,153,244</u>	<u>172,337</u>	<u>1,325,581</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(551,779)</u>	<u>(125,227)</u>	<u>(677,006)</u>
OTHER FINANCING SOURCES (USES):			
Gain (loss) on investments	6,030	10,911	16,941
Total other financing sources (uses)	<u>6,030</u>	<u>10,911</u>	<u>16,941</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(545,749)</u>	<u>(114,316)</u>	<u>(660,065)</u>
Fund balance - beginning of year	<u>9,819,556</u>	<u>947,289</u>	<u>10,766,845</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,273,807</u>	<u>\$ 832,973</u>	<u>\$ 10,106,780</u>

PLAQUEMINES PARISH SCHOOL BOARD
CAPITAL PROJECTS FUND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 1995

	1984 GENERAL OBLIGATION CONSTRUCTION FUND	SALES TAX CONSTRUCTION FUND	1992 GENERAL OBLIGATION CONSTRUCTION FUND	1993 GENERAL OBLIGATION CONSTRUCTION FUND	TOTAL
REVENUES:					
Local Sources:					
Interest earnings	\$ 1,427	\$ 431,936	\$ 1,954	\$ 48,489	\$ 483,806
Total revenues	<u>1,427</u>	<u>431,936</u>	<u>1,954</u>	<u>48,489</u>	<u>483,806</u>
EXPENDITURES:					
Capital outlay:					
Building improvements	38,541	353,251	311,330	57,296	760,418
Miscellaneous	--	36	--	7,428	7,464
Architect/Engineering	--	122,614	--	237,840	360,454
Construction services	--	45,000	--	--	45,000
Equipment	--	--	--	151,659	151,659
Total expenditures	<u>38,541</u>	<u>520,901</u>	<u>311,330</u>	<u>454,223</u>	<u>1,324,995</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(37,114)</u>	<u>(88,965)</u>	<u>(309,376)</u>	<u>(405,734)</u>	<u>(841,189)</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	12,000	--	170,099	4,693	186,792
Operating transfers out	(149,679)	--	(13)	(37,100)	(186,792)
Gain (loss) on investments	--	--	--	(23,783)	(23,783)
Total other financing sources (uses)	<u>(137,679)</u>	<u>--</u>	<u>170,086</u>	<u>(56,190)</u>	<u>(23,783)</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>(174,793)</u>	<u>(88,965)</u>	<u>(139,290)</u>	<u>(461,924)</u>	<u>(864,972)</u>
Fund balance - beginning of year	174,793	9,908,521	139,290	1,409,213	11,631,817
FUND BALANCE - END OF YEAR	<u>--</u>	<u>\$ 9,819,556</u>	<u>\$ --</u>	<u>\$ 947,289</u>	<u>\$ 10,766,845</u>

PLAQUEMINES PARISH SCHOOL BOARD
SCHOOL ACTIVITY AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1996

ASSETS

Cash and Cash Equivalents	<u>\$322,265</u>
TOTAL ASSETS	<u>\$322,265</u>

LIABILITIES AND FUND EQUITY

LIABILITIES:	
Due to Others - School Activity	<u>\$322,265</u>
Total liabilities	322,265
FUND EQUITY	<u> --</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$322,265</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SCHOOL ACTIVITY AGENCY FUNDS
 SCHEDULE OF CHANGES IN FUNDS DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 1996

<u>SCHOOL</u>	<u>BALANCE JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 1996</u>
Belle Chasse High School	\$ 89,752	\$ 324,166	\$ 306,964	\$106,954
Belle Chasse Middle School	25,083	90,576	81,380	34,279
Belle Chasse Primary School	8,514	131,841	106,130	34,225
Buras High School	56,051	277,229	270,133	63,147
Buras Middle School	6,758	78,184	55,040	29,902
Port Sulphur High School	15,375	101,939	103,172	14,142
Phoenix High School	12,715	39,470	35,663	16,522
Boothville-Venice High School	<u>17,991</u>	<u>107,657</u>	<u>102,554</u>	<u>23,094</u>
TOTALS	<u>\$232,239</u>	<u>\$1,151,062</u>	<u>\$1,061,036</u>	<u>\$322,265</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SCHOOL ACTIVITY AGENCY FUNDS
 SCHEDULE OF CHANGES IN FUNDS DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 1995

<u>SCHOOL</u>	<u>BALANCE JULY 1, 1994</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30, 1995</u>
Belle Chasse High School	\$ 71,976	\$ 292,588	\$ 274,812	\$ 89,752
Belle Chasse Middle School	24,348	48,987	48,252	25,083
Belle Chasse Primary School	--	170,236	161,722	8,514
Buras High School	35,950	275,477	255,376	56,051
Buras Middle School	16,030	49,691	58,963	6,758
Port Sulphur High School	21,123	85,760	91,508	15,375
Phoenix High School	7,757	30,772	25,814	12,715
Boothville-Venice High School	<u>19,093</u>	<u>101,485</u>	<u>102,587</u>	<u>17,991</u>
TOTALS	<u>\$196,277</u>	<u>\$1,054,996</u>	<u>\$1,019,034</u>	<u>\$232,239</u>

PLAQUEMINES PARISH SCHOOL BOARD
SCHOOL ACTIVITY AGENCY FUNDS
SCHEDULE OF CHANGES IN FUNDS DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 1996

Deposit balance at beginning of year	\$ 232,239
Additions	1,151,062
Deductions	<u>(1,061,036)</u>
DEPOSIT BALANCE AT END OF YEAR	\$ <u>322,265</u>

PLAQUEMINES PARISH SCHOOL BOARD
SCHOOL ACTIVITY AGENCY FUNDS
SCHEDULE OF CHANGES IN FUNDS DUE TO OTHERS
FOR THE YEAR ENDED JUNE 30, 1995

Deposit balance at beginning of year	\$ 196,277
Additions	1,054,996
Deductions	<u>(1,019,034)</u>
DEPOSIT BALANCE AT END OF YEAR	\$ <u>232,239</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

<u>BOARD MEMBER</u>	<u>JUNE 30, 1995</u> <u>AMOUNT</u>	<u>JUNE 30, 1996</u> <u>AMOUNT</u>
Walter J. Blaize	\$ 4,800	\$ --
Carlton LaFrance	9,600	9,600
Lawrence Rousselle (President 1/95 - 12/95)	10,200	10,200
Carl Barrois	4,800	--
Betty Dinette (President 7/94 - 12/94)	5,400	--
Fred Fitzgerald	4,800	--
Shawn Reppel (President 1/96 - 6/96)	9,600	10,200
Victor Harris	4,800	--
Manuel Barthelemy	4,800	--
Lisa Cross	4,800	9,600
Sharon Guth	4,800	9,600
Paul Lemaire	4,800	9,600
Helen Barrois	4,800	9,600
Bobby Benefield	4,800	9,600
William Mertz	<u>4,800</u>	<u>9,600</u>
TOTAL	<u>\$87,600</u>	<u>\$87,600</u>

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to the school board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

The compensation of the school board members is included in the general administrative expenditures of the General Fund. In accordance with Louisiana Revised Statute 17:56, the school board members have elected the monthly payment method of compensation. Under this method, each member of the school board receives \$800 per month and the president receives \$900 per month for performing the duties of this office.

PLAQUEMINES PARISH SCHOOL BOARD
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE TWO YEARS ENDED JUNE 30, 1996

December 3, 1996

Plaquemines Parish School Board
Belle Chasse, LA

We have audited the general purpose financial statements of Plaquemines Parish School Board as of June 30, 1996 and for the two years then ended, and have issued our report thereon dated December 3, 1996. In our report, our opinion was qualified because the school board has not correctly recorded the additions and deletions to its fixed asset records after its physical inventory was taken.

We have conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

The management of Plaquemines Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Plaquemines Parish School Board, for the two years ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

STUDENT ACTIVITY FUNDS:

It was noted that there is generally a lack of segregation of duties in the handling of school activity funds. Deposits are prepared, recorded and made by one individual. Checks are prepared, signed and recorded by the same individual who also reconciles the bank statements. Thus, there is the possibility of misappropriation of funds.

We recommend that school activity fund duties be segregated as much as is practical under each school situation. Deposits should be made by someone other than the individual who prepares and records them, and checks should be signed by an individual other than the one who prepares and records them.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matter involving the internal control structure and its operations that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the general purpose financial statements of Plaquemines Parish School Board for the two years ended June 30, 1996.

FIXED ASSETS:

Louisiana Revised Statute 24:515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board in the current fiscal year took a complete physical inventory and updated its general ledger to agree to the physical inventory. However, the school board has not correctly recorded additions to its fixed assets after the physical inventory date.

The school board has a system to properly record additions to its fixed asset listing. However, the school board has not implemented all phases of the system. We recommend that the school board implement the system to record all additions to its fixed asset listing and to reconcile its fixed assets records to the general ledger to ensure proper reporting in the school board's financial statements.

We noted other matters involving the internal control structure and its operation that we have reported to management in a separate letter dated December 3, 1996.

This report is intended for the information of the School Board, its management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Chapman, Hogan & Mahu LLP

PLAQUEMINES PARISH SCHOOL BOARD
INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE
USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE TWO YEARS ENDED JUNE 30, 1996

December 3, 1996

Plaquemines Parish School Board
Belle Chasse, Louisiana

We have audited the general purpose financial statements of Plaquemines Parish School Board as of and for the two years ended June 30, 1996, and have issued our report thereon dated December 3, 1996. We have also audited the compliance of Plaquemines Parish School Board with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 3, 1996. In our report, our opinion was qualified because the school board has not connectly recorded the additions and deletions to its fixed asset records after its physical inventory was taken.

We conducted our audits in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether Plaquemines Parish School Board complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the two years ended June 30, 1996, we considered the internal control structure of Plaquemines Parish School Board in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Plaquemines Parish School Board and on the compliance of Plaquemines Parish School Board with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 3, 1996.

The management of Plaquemines Parish School Board is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

General Requirements

- Political activity
- Davis Bacon Act
- Civil rights
- Federal Financial Reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Specific Requirements

- Types of service allowed or unallowed
- Eligibility
- Level of effort
- Special tests and provisions

Accounting Controls

- Cash receipts
- Purchasing
- Treasury
- Financial reporting
- Payroll
- Data processing
- Fixed assets

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the two years ended June 30, 1996, the Plaquemines Parish School Board expended 63 percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for reimbursements and amounts claimed or used for matching that are applicable to each of Plaquemines Parish School Board's major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Plaquemines Parish School Board's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

COMMODITY INVENTORY:

Commodities are received by the Food Service Program monthly from the Federal Government. Perpetual inventory records are maintained for the commodities held at the schools, but no physical inventory is taken to verify the inventory quantity on hand. A physical inventory should be taken at year end to ensure the correctness of

the quantity recorded. Also, commodity prices may change during the year. When an item is removed from inventory, it is removed at the current price, not the price at which it was originally recorded. This may result in an overstatement or understatement of inventory.

We recommend that a physical inventory be taken at year end to determine that actual inventory on hand is in agreement with perpetual records. We also recommend that items are removed from inventory at the price at which they were originally recorded.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted the following matter involving the internal control structure and its operation that we consider to be a material weakness as defined above. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the compliance of Plaquemines Parish School Board with requirements applicable to its major federal financial assistance programs for the two years ended June 30, 1996, and this report does not affect our report thereon dated December 3, 1996.

FIXED ASSETS:

Louisiana Revised Statute 24:515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board in the current fiscal year took a complete physical inventory and updated its general ledger to agree to the physical inventory. However, the school board has not correctly recorded additions to its fixed assets after the physical inventory date.

The school board has a system to properly record additions to its fixed asset listing. However, the school board has not implemented all phases of the system. We recommend that the school board implement the system to record all additions to its fixed asset listing and to reconcile its fixed assets records to the general ledger to ensure proper reporting in the school board's financial statements.

We also noted other matters involving the internal control structure and its operation that we have reported to management in a separate letter dated December 3, 1996.

This report is intended for the information of Plaquemines Parish School Board, its management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplaster, Hapmann, Hogan & Maher LLP

PLAQUEMINES PARISH SCHOOL BOARD
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND
REGULATIONS BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
FOR THE TWO YEARS ENDED JUNE 30, 1996

December 3, 1996

Plaquemines Parish School Board
Belle Chasse, Louisiana

We have audited the general purpose financial statements of the Plaquemines Parish School Board as of June 30, 1996 and for the two years then ended and have issued our report thereon dated December 3, 1996. In our report, our opinion was qualified because the school board has not correctly recorded the additions and deletions to its fixed asset records after its physical inventory was taken.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Plaquemines Parish School Board is the responsibility of Plaquemines Parish School Board's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of Plaquemines Parish School Board's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Material instances of noncompliance consist of failures to follow requirements, or violations of prohibitions, contained in statutes, regulations, contracts or grants that cause us to conclude that the aggregation of the misstatements resulting from those failures or violations is material to the general purpose financial statements. The results of our tests of compliance disclosed the following material instance of noncompliance.

FIXED ASSETS:

Louisiana Revised Statute 24:515 (B) requires every public entity to maintain records of all fixed assets purchased or otherwise acquired for which the entity is accountable, and states that the records shall include information as to the acquisition date, cost, disposition, purpose of disposition, and recipients of disposed assets. The school board in the current fiscal year took a complete physical inventory and updated its general ledger to agree to the physical inventory. However, the school board has not correctly recorded additions to its fixed assets after the physical inventory date.

The school board has a system to properly record additions to its fixed asset listing. However, the school board has not implemented all phases of the system. We recommend that the school board implement the system to record all additions to its fixed asset listing and to reconcile its fixed assets records to the general ledger to ensure proper reporting in the school board's financial statements.

We considered this instance of noncompliance in forming our opinion on whether the June 30, 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated December 3, 1996 on those general purpose financial statements.

We noted certain other instances of noncompliance which we have reported to management in a separate letter dated December 3, 1996.

This report is intended for the information of Plaquemines Parish School Board, its management and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hapman, Hogan & Maher LLP

PLAQUEMINES PARISH SCHOOL BOARD
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE TWO YEARS ENDED JUNE 30, 1996

December 3, 1996

Plaquemines Parish School Board
Belle Chasse, Louisiana

We have audited the general purpose financial statements of Plaquemines Parish School Board as of June 30, 1996 and for the two years then ended and have issued our report thereon dated December 3, 1996. In our report, our opinion was qualified because the school board has not correctly recorded the additions and deletions to its fixed asset records after its physical inventory was taken.

We have also audited Plaquemines Parish School Board's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; reporting; claims for reimbursements; and special tests and provisions that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance for the two years ended June 30, 1996. The management of Plaquemines Parish School Board is responsible for Plaquemines Parish School Board's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about Plaquemines Parish School Board's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings and Questioned Costs. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Plaquemines Parish School Board complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; reporting; claims for reimbursements; and special tests and provisions that are applicable to each of its major federal financial assistance programs for the two years ended June 30, 1996.

This report is intended for the information of the Plaquemines Parish School Board, its management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplaster, Hapman, Hogan & Mader LLP

PLAQUEMINES PARISH SCHOOL BOARD
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE TWO YEARS ENDED JUNE 30, 1996

December 3, 1996

Plaquemines Parish School Board
Belle Chasse, Louisiana

We have audited the general purpose financial statements of Plaquemines Parish School Board as of June 30, 1996 and for the two years then ended, and have issued our report thereon dated December 3, 1996. In our report, our opinion was qualified because the school board has not correctly recorded the additions and deletions to its fixed asset records after its physical inventory was taken.

We have applied procedures to test Plaquemines Parish School Board's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the two years ended June 30, 1996.

General Requirements

- Political activity
- Davis Bacon Act
- Civil rights
- Federal Financial Reports
- Allowable costs/cost principles
- Drug-Free Workplace Act
- Administrative requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Plaquemines Parish School Board's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Plaquemines Parish School Board had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are disclosed in the Schedule of Findings and Questioned Costs.

This report is intended for the information of the Plaquemines Parish School Board, its management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

Duplantier, Hapmann, Hogan & Maher LLP

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

MAJOR FEDERAL FINANCIAL ASSISTANCE

<u>Federal CFDA Number</u>	<u>Department of Agriculture</u>	<u>1996 Expenditures</u>	<u>1995 Expenditures</u>
<u>Passed through the State of Louisiana:</u>			
10.555	National School Lunch Program	\$ 699,894	\$ 694,564
<u>Department of Education</u>			
84.010	Educationally Deprived Children	1,125,364	1,103,270
84.010	Program Improvement	--	3,894
84.010	Local Planning	--	900
84.010	Capital Expense	--	68,500
<u>Received directly from the federal government:</u>			
<u>Department of Health and Human Services</u>			
93.600	Head Start Program	--	331,375
	TOTAL MAJOR PROGRAM EXPENDITURES	<u>1,825,258</u>	<u>2,202,503</u>

NONMAJOR FEDERAL FINANCIAL ASSISTANCE

<u>Required directly from the federal government:</u>			
<u>Department of Agriculture</u>			
84.041	School Assistance in Federally Affected Areas: Maintenance and Operation	\$ 195,733	\$ 145,844
<u>Department of Health and Human Services</u>			
93.600	Head Start Program	<u>299,587</u>	--
	Total Nonmajor Direct	<u>495,320</u>	<u>145,844</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE YEARS ENDED JUNE 30, 1996 AND 1995

(Continued)

NONMAJOR FEDERAL FINANCIAL ASSISTANCE

<u>Federal CFDA Number</u>		<u>1996 Expenditures</u>	<u>1995 Expenditures</u>
<u>Passed through the State of Louisiana:</u>			
<u>Department of Agriculture</u>			
10.550	Food Distribution	\$ 166,289	\$ 101,918
10.553	National School Breakfast Program	<u>202,436</u>	<u>195,347</u>
	Total Department of Agriculture	<u>368,725</u>	<u>297,265</u>
<u>Department of Health and Human Services</u>			
93.667	Early Childhood and Starting Point	<u>79,123</u>	<u>76,881</u>
<u>Department of Education</u>			
84.002	Adult Education	22,186	26,693
84.011	Migrant Education	28,607	39,567
84.151	Improving School Programs- Block Grant	32,853	31,406
84.164	Promote Professional Growth of Teachers	22,430	28,220
84.186	Drug Abuse Education and Presentation Programs in Schools	29,468	34,849
13.714	Health Care Services - Title XIX EPSDT	44,398	21,607
84.048	Vocational Education	48,101	53,967
84.009	Education of Handicapped	<u>216,319</u>	<u>169,326</u>
	Total department of education	<u>444,362</u>	<u>405,635</u>
<u>Department of Social Services</u>			
93.656	Family Act	<u>2,263</u>	<u>--</u>
<u>Department of Labor</u>			
17.250	Job Training Partnership Act	<u>--</u>	<u>14,023</u>
	Total Nonmajor Passed Through	<u>894,473</u>	<u>793,804</u>
	TOTAL NONMAJOR PROGRAMS	<u>1,389,793</u>	<u>939,648</u>
	TOTAL PROGRAM EXPENDITURES	<u>\$3,215,051</u>	<u>\$3,142,151</u>

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE TWO YEARS ENDED JUNE 30, 1996

<u>PROGRAM/REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>(UNRECORDED) OR QUESTIONED COSTS</u>
<u>General Requirements</u>		
Title I/Davis Bacon Act	<p>1) The school board did not monitor Davis Bacon Act requirements during construction of a trailer. Federal requirements state that construction activity which involves labor cost is to be monitored using the Davis Bacon requirements and wages paid must equal the wages established by the Department of Labor.</p> <p>When construction activity is funded with federal sources, we recommend that the school board review the grant agreement to determine if the Davis Bacon Act is applicable and monitor the requirements of the act.</p> <p>RESPONSE:</p>	\$10,316
All Programs/ Administration	<p>2) Fixed assets acquired with federal funds are required to be separately identified on the fixed asset inventory. The school board's fixed asset inventory separately identifies assets purchased with federal funds; however, assets purchased prior to the physical inventory are not identified in all instances.</p> <p>It is recommended that the fixed asset inventory be updated to identify assets purchased with federal funds prior to the inventory.</p> <p>RESPONSE:</p>	

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1996

<u>PROGRAM/REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>(UNRECORDED) OR QUESTIONED COSTS</u>
<u>Specific Requirements</u>		
National School Lunch Program/Eligibility	<p>1) Federal guidelines state that the food service department's verification report for free and reduced price meal applications must be completed by December 15 for the current school year. The food service department did not complete the food program verification procedures for the fiscal year ended June 30, 1995 until December 19, 1994.</p> <p>We recommend that the due dates be communicated to the staff and that the reports be monitored to ensure that they are submitted timely.</p> <p>RESPONSE:</p>	
Educationally Deprived Children - Local Educational Agencies (Title I)/Eligibility	<p>2) The Title I contract for the school year 1994 - 1995 did not contain a clause which stated that the school board had specific library resources available to assist the children in the Title I program. This statement should be present in the section which describes the annual assessment of educational needs.</p> <p>We recommend that future contracts be reviewed to ensure that all items required in the annual assessment of educational needs are present.</p> <p>RESPONSE:</p>	

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 1996

(UNRECORDED)
 OR
 QUESTIONED
COSTS

PROGRAM/REQUIREMENT

FINDINGS/NONCOMPLIANCE

Specific Requirements

Administration for
 Children, Youth and
 Families (Head
 Start)/Eligibility

- 3) The head start program states that ninety percent of the children must come from families whose income is below the federal poverty guidelines or who are receiving public assistance. Also, ten percent of the enrollment should consist of children with disabilities (mental, physical, or social). The school board's head start program did not keep documentation of the testing for these requirements; therefore, it could not be determined if these percentages had been obtained.

We recommend that these calculations be maintained to verify that the percentages of poverty/assistance families and disabled children have been met as required by the guidelines.

- 4) During testing of eligibility, it was determined that a number of the files did not have the following required documentation:
- 1) Documentation to prove that the parent lived in the area.
 - 2) Information that stated that head start services were offered in the following year.
 - 3) Birth certificates.

PLAQUEMINES PARISH SCHOOL BOARD
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 1996

<u>PROGRAM/REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	<u>(UNRECORDED) OR QUESTIONED COSTS</u>
<u>Specific Requirements</u>	<p>4) Documentation that supported the residency of the student for the area applied to attend.</p> <p>5) Proof of income.</p> <p>6) Immunization documents.</p> <p>We recommend that the student files be reviewed to ensure that all pertinent information is maintained.</p> <p>RESPONSE:</p>	71,799
Administration for Children, Youth and Families (Head Start)/ Types of Services Allowed or Unallowed	<p>5) In the school year 1994 - 1995, the head start program purchased supplies which cost \$37,900. This allocation should have been used to pay administrative salaries for the months of June, July and August. The general fund paid the salaries and in school year 1996 - 1997, the head start program received an additional grant to reimburse the general fund.</p> <p>We suggest that the funds be spent on the budget line item approved.</p> <p>RESPONSE:</p>	37,900

PLAQUEMINES PARISH SCHOOL BOARD
 STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
 FOR THE TWO YEARS ENDED JUNE 30, 1996

(UNRECORDED)
 OR
 QUESTIONED
 COSTS

PROGRAM/REQUIREMENT

FINDINGS/NONCOMPLIANCE

General Requirements

Vocational Education/
 Administrative

- 1) A physical inventory count of fixed assets is required to be taken every two years. This would provide additional controls over the assets to prevent any loss or theft of those assets. A physical count has not been taken since 1990. We recommended that a physical count be taken every two years as required.

In November 1995 the school board had a physical inventory of fixed assets taken. This inventory does not separately identify in all instances assets acquired with federal funds prior to the physical inventory.

Chapter 1/
 Administrative

- 2) The inventory list on fixed assets purchased with federal funds should include the cost of the item. This would provide additional controls over the assets to prevent any loss or theft of those assets. The inventory list for Chapter 1 does not include the cost of the item. We recommend obtaining this information and including it as part of the inventory list on fixed assets.

In November 1995 the school board had a physical inventory of fixed assets taken. This inventory does not separately identify in all instances assets acquired with federal funds prior to the physical inventory.

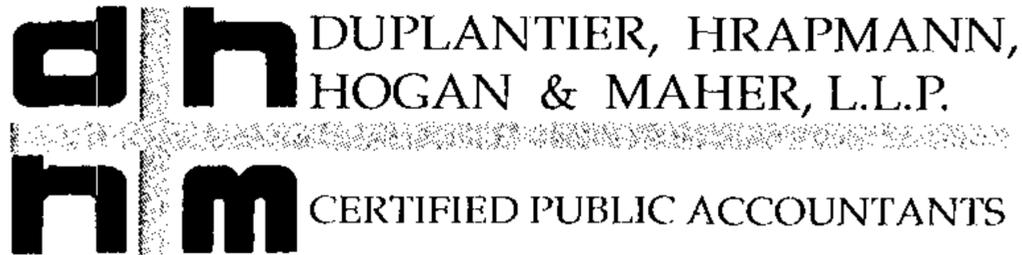
Specific Requirements

National School
 Lunch Program/
 Eligibility

- 3) The school board is required to choose a sample of applicants for verification of eligibility. The required sample size is 3% of all applicants. The school board did verify 3% of the applicants for eligibility. The school board was 33 applicants short of the 3% requirement.

PLAQUEMINES PARISH SCHOOL BOARD
STATUS OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE TWO YEARS ENDED JUNE 30, 1996

<u>PROGRAM/REQUIREMENT</u>	<u>FINDINGS/NONCOMPLIANCE</u>	(UNRECORDED) OR <u>QUESTIONED COSTS</u>
National School Lunch Program/ Eligibility	During the current audit period, the school board used a new sampling approach and covered the required number of applicants.	



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December 3, 1996

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Plaquemines Parish School Board
Belle Chasse, LA

In planning and performing our audit of the financial statements of the Plaquemines Parish School Board for the two years ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect Plaquemines Parish School Board's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

COMMODITY INVENTORY:

Commodities are received by the Food Service Program monthly from the federal government. Perpetual inventory records are maintained for the commodities held at the schools, but no physical inventory is taken to verify the inventory quantity on hand. A physical inventory should be taken at year end to ensure the correctness of the quantity recorded. Also, commodity prices may change during the year. When an item is removed from inventory, it is removed at the current price, not the price at which it was originally recorded. This may result in an overstatement or understatement of inventory.

We recommend that a physical inventory be taken at year end to determine that actual inventory on hand is in agreement with perpetual records. We also recommend that items are removed from inventory at the price at which they were originally recorded.

STUDENT ACTIVITY FUNDS:

It was noted that there is generally a lack of segregation of duties in the handling of school activity funds. Deposits are prepared, recorded and made by one individual. Checks are prepared, signed and recorded by the same individual who also reconciles the bank statements. There is the possibility of misappropriation of funds.

Receipt Acknowledged
Legislative Auditor

By _____

We recommend that school activity fund duties be segregated as much as is practical under each school situation. Deposits should be made by someone other than the individual who prepares and records them, and checks should be signed by an individual other than the one who prepares and records them.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted the following reportable condition that we believe to be a material weakness.

FIXED ASSETS:

In the current year, the school board took a complete physical inventory of its fixed assets and updated its general ledger to agree to the physical inventory. However, the school board has not correctly recorded additions to its fixed asset inventory after the physical inventory date as follows:

- a) The inventory did not include additions acquired by certain funds, and some additions listed in the general ledger were unable to be traced to the inventory.
- b) The fixed asset addition listings also included items acquired subsequent to year-end.
- c) Donated assets are not recorded on the general ledger and several donated assets are not included in the fixed asset inventory.
- d) The fixed asset inventory schedules for additions are not reconciled to the general ledger on a regular basis.

We recommend the school board hire or appoint a fixed asset coordinator. The position's duties should include tagging of assets, test counting assets at all locations, ensuring that additions and deletions are properly recorded on the fixed asset inventory and the general ledger, and conducting a year-end physical count of fixed assets.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

Other conditions came to our attention during the course of the audit which are not considered reportable conditions; however, we felt these conditions should be presented to management.

RECEIVING REPORTS:

During audit testing, it was noted that the school board does not date receiving documents when merchandise is received. It may not be possible to determine the actual date merchandise is received. As a result, purchases of merchandise and the resulting liability may not be recorded in the proper period. We recommend that all receiving documents be dated upon receipt of merchandise.

FEDERAL FUNDS - FOOD SERVICES:

The state guidelines for the student eligibility verification process suggest that the verifying official sign his name either directly on the application or elsewhere on the documentation received to indicate approval. Currently, the school board does not document approval in this manner. We recommend that this approval indication be implemented into the verification process.

FEDERAL FUNDS - HEAD START:

The program did not use purchase orders consistently during the school year 1994-1995. Purchases were made; however, since no purchase order system was in place, there was no verification process. We recommend that purchase orders be used regularly so that items received and prices charged can be compared to ones quoted upon purchase.

FIXED ASSETS:

It was noted that the school board has no procedures for correcting the coding of an item if the EDP department determines that it should not be capitalized. We recommend that procedures be implemented to return items to accounts payable for any coding changes made by the EDP department.

SCHOOL ACTIVITY FUNDS:

During audit testing of school activity funds, the following were noted:

- a) One school makes deposits only on a weekly basis because the school's bank is located in a different city.
- b) Preprinted or prenumbered tickets are generally not used for events for which admission is charged. When prenumbered tickets are used, the number of tickets sold is not reconciled to the cash received.
- c) One school does not reconcile bank statements timely, nor submit monthly and year-end reports timely to the accounting office. Also, validated deposit slips are not returned to the bookkeeper timely to support the coding of bank deposits.
- d) Generally, a receipt is not given to the school organization when deposits are given to the bookkeeper.

As a result of the above conditions, there exists the possibility of misappropriation of funds or improper reporting of school activity funds. We recommend that procedures be implemented to allow better controls over school activity funds.

We also noted instances of noncompliance to law and regulations, as follows:

CODE OF ETHICS:

LRS 42:1113 states that no public servant shall bid or enter into a contract that is under the supervision or jurisdiction of the agency of such public servant. A public servant is defined as all public employees and all elected officials. The definition of public employee includes anyone engaged in the performance of a governmental function. During audit testing, it was determined that the school board entered into a contract with a twelve-month employee to build various items. We recommend that school board personnel be informed of the requirements of the Code of Ethics.

TAGGING OF FIXED ASSETS:

LRS 39:323 requires a uniform system of marking and identifying government property. The school board has a system to tag all assets including additions. Based on our testing in this area the system is operating as prescribed. However, during observation of fixed assets, it was noted that several assets were not tagged. Through further investigation it was determined that in some instances tags were sent to the schools and the schools had not placed the tags on the assets.

It is recommended that all assets at school locations be reviewed to determine that they are properly tagged.

1992 SALES TAX RESERVE:

The bond indenture of the 1992 Sales Tax School Bonds requires that any monies in the Reserve Fund be invested in direct obligations of the United States, maturing in five years or less, consistent with the 1992 state law. The Reserve Fund has investments of FNMA Remics and FHLMC Remics, which have maturity dates of greater than five years. The monies in the Reserve Fund are not invested in accordance with the terms of the bond indenture. These monies are invested in obligations allowed by current state law, which has been revised since the issuance of the bond indenture.

We recommend that the school board invest the Reserve Fund monies in direct obligations of the United States, maturing in five years or less to be in compliance with the bond indenture.

We would like to express our sincere appreciation for the cooperation and assistance from the school board's personnel during the course of the audit.

This report is intended solely for the information and use of management, the Plaquemines Parish School Board and the Legislative Auditor.

Sincerely,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

William Stamm

William G. Stamm, CPA
Partner